

PPP AT SIX MONTHS:

A Flawed Program That Came Up Short

Executive Summary

The Trump Administration's Paycheck Protection Program (PPP) has been rife with problems and confusion since day one.

- The program has regularly faced criticism over transparency. Through April and May, the Treasury department released only topline information on distributed loans – and on June 11, Treasury Secretary [Mnuchin said the Trump administration would not disclose PPP loan information](#), describing it as “proprietary” and “confidential.” But following bipartisan pushback, the Trump administration shifted course and agreed to [disclose the names of borrowers for PPP loans in the amount of \\$150,000 or more](#), which was described as a compromise. (Additional background: The PPP [utilized the existing framework](#) of the SBA's 7(a) loan program. 7(a) [loans were subject to disclosure under public records laws](#): of loan recipients, loan amounts, officer names, loan terms, etc.) A compromise release of the data, providing all loan amounts but only information on borrowers above \$150,000, only provided 14-percent of borrower information, and accounted for only 75-percent of funds. The [Pandemic Response Accountability Committee](#) has since called for providing company information on PPP loans above \$25,000.
- The program includes loopholes designed to help the restaurant and hotel industries. The CARES Act included language, described as a “[special-interest provision](#)” by the New York Times, to allow chain restaurants and hotels to file for small business grants despite exceeding employment figures. The language was fought for by the [National Restaurant Association](#). Chain restaurants have subsequently taken tens of millions in PPP funds.
- The program has undergone a large number of changes, issuing at least 21 administrative “interim final rules” on aspects of the program as loans were disbursed. And actual small businesses have struggled to keep up with, apply for, understand, and meet the terms of it.
- The Government Accountability Office [wrote](#) that the “complexity of [the] loan forgiveness process creates [a] burden.”

The program's design was not only confusing, it led to wealthy, publicly traded companies cashing in on relief dollars while truly small businesses were left to fend for themselves.

- The PPP depleted its initial funding of \$349 billion on [April 15](#), just twelve days into the program. (The fund was replenished with \$310 billion on [April 24](#).)
- In mid-April, large, publicly-traded companies like Potbelly and Ruth's Chris [came under scrutiny](#) for taking advantage of the program. Potbelly initially [returned the loan](#) – but subsequently reapplied, [receiving \\$10 million](#) on the penultimate day of the program.
- On May 11, seven members of the Select Subcommittee on the Coronavirus Crisis [wrote to 5 companies that had received large loans](#), asking for them to return the funds. As of September 2020, only one has done so.
- As of mid-September 2020, nearly 10,000 publicly traded companies – many of whom would go on to report strong earnings for Q2 2020 and even [pay out millions to Wall Street investors in dividends and share buybacks](#) – had taken in at least \$1.6 billion in PPP funds.
- Startups tied to Jared Kushner's brother Josh [got at least \\$2.8 million in PPP funds](#).
- [Foreign-owned firms](#) also gained access to PPP funding, including [at least one firm](#) that specifically specializes in outsourcing work to foreign countries.

- Despite handing out billions of dollars, the program isn't necessarily prioritizing workers. After the [Paycheck Protection Program Flexibility Act](#) (PPFA) was signed into law on June 5, 2020, the legislation received some pushback from [labor groups](#), saying business bottom lines were being prioritized over workers. The legislation:
 - Dropped the percentage of PPP funds required to be put into payroll, to [60-percent from 75-percent](#).
 - Extended the amount of time for PPP loans to be spent, to [24 weeks from 8 weeks](#).
 - Extended the minimum maturity term of a PPP loan, to [five years from two years](#).

The program's design also left communities of color and less wealthy areas behind.

- Up to [90-percent](#) of businesses owned by people of color or women were likely shut out of the Paycheck Protection Program.
- "Of all small businesses, [businesses without employees were the most likely to face challenges](#) accessing PPP funds in the initial round. [...] Businesses owned by people of color are even more likely to have no employees, putting them at a disadvantage to larger businesses that could garner higher fees. [...] Nearly 95% of Black-owned firms were non-employers, and 91% of Latino-owned firms were non-employers. In comparison, 78%, of white firms are non-employer businesses."
- One study indicated that only 12-percent of black and Latino business owners who applied for SBA relief have received what they asked for and 26% said they "[received only a fraction of what they had requested](#)."
- Accountable.US found that the ten Congressional districts with the highest percentage of black residents [got nearly \\$12 billion less in PPP funding](#) than the ten districts with the least number of black residents, a difference of over 64,000 fewer loans.
- The poorest Congressional districts [received \\$13 billion less](#) in PPP funds than the nation's wealthiest districts.

The program was rife with [fraud](#) and millions went to businesses that didn't exist or that inflated their employee counts.

- As of September 17, 2020, the Department of Justice and United States District Attorneys had announced charges against 87 people for PPP fraud amounting to at least \$88 million.
- Treasury Secretary Mnuchin responded to outcry by calling for audits and investigations of large companies, but subsequently walked that back.
- The fraud and misuse of the PPP followed governmental and experts criticisms about a lack of oversight, as well as [warnings from business owners](#) on how the program's design could be exploited.

We still are without answers to basic questions like...

- As the number of cases of fraudulently received PPP loans increases across the country, how exactly were loans through the PPP approved?
- Are audits of loans occurring, and if so, how and when are they being conducted? Who's conducting the audits?
- Which loans will now be approved for forgiveness and how is forgiveness being decided?

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Paycheck Protection Program: Background And Basics

FACT SHEET: Basic PPP Info

Program Founding: The CARES Act was [signed into law](#) on March 27, 2020, allocating funds for small business relief. The Paycheck Protection Program was then launched by the Small Business Administration on [April 3, 2020](#).

Overall Intent: The PPP was designed to help small businesses, struggling in the wake of the COVID-19 pandemic, keep employees on payroll (and cover other expenses). For the purposes of the program, a “small business” was [generally considered to be under 500 employees](#), but more formally was defined around meeting statutory definitions of “[small business concern](#).”

General Flaws:

- The program has regularly faced criticism over transparency. On June 11, Treasury Secretary [Mnuchin said the Trump administration would not disclose PPP loan information](#), describing it as “proprietary” and “confidential.” But following bipartisan pushback, the Trump administration shifted course and agreed to [disclose the names of borrowers for PPP loans in the amount of \\$150,000 or more](#), which was described as a compromise. (Additional background: The PPP [utilized the existing framework](#) of the SBA’s 7(a) loan program. 7(a) [loans were subject to disclosure under public records laws](#): of loan recipients, loan amounts, officer names, loan terms, etc.) A compromise release of the data, providing all loan amounts but only information on borrowers above \$150,000, only provided 14-percent of borrower information, and accounted for only 75-percent of funds.
- The program has undergone a large number of changes. And actual small businesses have struggled to keep up with, apply for, understand, and meet the terms of it.
- The program includes loopholes. The CARES Act included language, described as a “[special-interest provision](#)” by the New York Times, to allow chain restaurants and hotels to file for small business grants despite exceeding employment figures. The language was fought for by the [National Restaurant Association](#).
- The PPP depleted its initial funding of \$349 billion on [April 15](#). (The fund was replenished with \$310 billion on [April 24](#).)
- The program isn’t necessarily prioritizing workers. The [Paycheck Protection Program Flexibility Act](#) (PPFA) was signed into law on June 5, 2020. The legislation received some pushback from [labor groups](#), saying business bottom lines were being prioritized over workers. The legislation:
 - Dropped the percentage of PPP funds required to be put into payroll, to [60-percent from 75-percent](#).
 - Extended the amount of time for PPP loans to be spent, to [24 weeks from 8 weeks](#).
 - Extended the minimum maturity term of a PPP loan, to [five years from two years](#).

Program’s Failure To Help Minority-Owned Businesses:

- Up to [90-percent](#) of businesses owned by people of color or women have been, or will likely be, shut out of the Paycheck Protection Program.
- “Of all small businesses, [businesses without employees were the most likely to face challenges](#) accessing PPP funds in the initial round. [...] Businesses owned by people of color are even more likely to have no employees, putting them at a disadvantage to larger businesses that could garner higher fees. [...] Nearly 95% of Black-owned firms were non-employers, and 91% of Latino-owned firms were non-employers. In comparison, 78%, of white firms are non-employer businesses.”

- “Roughly 95% of black-owned businesses, 91% of Latino-owned businesses, 91% of native Hawaiian or Pacific Islander-owned businesses, and 75% of Asian-owned businesses stand close to [no chance of receiving a PPP loan](#) through a mainstream bank or credit union.”
- Only 12-percent of black and Latino business owners who applied for SBA relief have received what they ask for and 26% said they [“received only a fraction of what they had requested.”](#)

Key Terms Of PPP Loan Agreements:

- PPP loan forgiveness [can be reduced](#) if full-time employee counts are decreased, or if employee salaries were reduced more than 25-percent.
- Payroll costs used in calculating loan amounts [maxed out at \\$100,000 annually](#), per employee.
- PPP loans [maxed out at \\$10 million](#).
- The Treasury Department maintains a [Frequently Asked Questions](#) document which clarifies aspects of the program, most recently updated on May 27, 2020.
- The SBA has announced that PPP loans in excess of \$2 million would be [subject to review](#) as to the appropriateness of their loan. The initial guidance from SBA also indicated [potential reviews](#) for loans under \$2 million, but this was subsequently [walked back](#).
- The SBA instituted a “safe harbor” designation for companies to return PPP funds without the possibility of audits; this deadline passed on [May 18](#).
- PPP applications need to be received by [June 30, 2020](#).
- [Applications](#) for PPP loan forgiveness [were released May 15, 2020](#); there is currently no specified deadline on loan forgiveness applications.

Other Notable Controversies:

- In mid-April, large and publicly companies that had received loans from the program [came under scrutiny](#). The first major return came from upscale Ruth’s Chris Steakhouse, which returned \$20 million in loans on [April 23](#).
- On May 11, seven members of the Select Subcommittee on the Coronavirus Crisis [wrote to 5 companies that had received large loans](#), asking for them to return the funds.

TIMELINE: Paycheck Protection Program Legislative And Administrative Changes

March 27, 2020: The CARES Act was signed into law and included \$349 billion for direct small business assistance.

March 31, 2020: The Treasury Department produced a basic information sheet for the upcoming small business aid program, called the Paycheck Protection Program (PPP).

April 2, 2020: The Treasury Department announces an interim final rule (published 4/15/20) regarding basic aspects of the PPP.

KEY MOMENT: April 3, 2020: The Small Business Administration (SBA) launched the PPP.

April 3, 2020: The Treasury Department created a document, “Paycheck Protection Program Loans – Frequently Asked Questions (FAQs).”

April 6, 2020: The Treasury Department added 17 more questions to its FAQ document.

April 8, 2020: The Treasury Department added 2 more questions to its FAQ document, concerning promissory notes and the beginning of the (then) eight-week forgiveness period.

April 13, 2020: The Treasury Department added 5 more questions to its FAQ document, including on the \$10 million amount cap and franchise exceptions.

April 13, 2020: Judy Kudlow, wife of Trump economic advisor Larry Kudlow, said she had applied for a PPP loan for her art business.

KEY MOMENT: April 13, 2020: SBA begins releasing aggregated PPP loan information, giving a breakdown of loans and amounts by state.

April 14, 2020: The Treasury Department added 3 more questions to its FAQ document, including on technical aspects of the E-Tran system.

April 15, 2020: The Treasury Department added 1 more question to its FAQ document, regarding e-signatures.

KEY MOMENT: April 15, 2020: The PPP depleted its initial \$349 billion in funding.

April 15, 2020: The SBA announced an interim final rule, supplementing the April 2 IFR with additional guidance.

April 17, 2020: The Treasury Department added 1 more question to its FAQ document, regarding the sale of PPP loans into secondary markets.

April 20, 2020: The SBA announced an interim final rule, focused on self-employed individuals.

April 23, 2020: The Treasury Department added 1 more question to its FAQ document, regarding large company liquidity and PPP appropriateness.

KEY MOMENT: April 23, 2020: Following public criticism of large companies taking funds intended for small business, Ruth’s Chris Steakhouse returned a \$20 million PPP loan.

KEY MOMENT: April 24, 2020: The PPP received \$310 billion in additional funding under the Paycheck Protection Program and Health Care Enhancement Act.

April 24, 2020: The Treasury Department added 4 more questions to its FAQ document, regarding agriculture entities and residency requirements.

April 24, 2020: The Treasury Department produced a guide for business owners on calculating the maximum loan amounts for their companies.

April 26, 2020: The Treasury Department added 1 more question to its FAQ document regarding employee counts and part-time workers.

April 27, 2020: The National Credit Union Administration announced an interim final rule on regulatory capital.

KEY MOMENT: April 28, 2020: SBA announced PPP loans in excess of \$2 million, “in addition to other loans as appropriate,” would be reviewed before loan forgiveness was granted.

April 28, 2020: Treasury Secretary Steven Mnuchin says it was “outrageous” for the LA Lakers to take a small business loan and called on large companies to apologize for taking loans.

April 28, 2020: The Treasury Department added 1 more question to its FAQ document on liquidity.

April 28, 2020: The SBA announced another interim final rule to supplement the previous announcements.

April 29, 2020: The Treasury Department added 2 more questions to its FAQ document, regarding changes in ownership and SBA certification review.

April 29, 2020: The SBA briefly closed PPP applications to all but the smallest US lenders.

April 30, 2020: The SBA announced another interim final rule, focused on seasonal employees.

May 1, 2020: SBA released PPP loan data for 4/27/20 through 5/1/20.

May 3, 2020: The Treasury Department added 3 more questions to its FAQ document, concerning laid-off workers and nonprofit hospitals.

May 4, 2020: The SBA announced an interim final rule on disbursement requirements for the PPP.

May 4, 2020: The SBA announced an interim final rule on multiple loans to a single corporate entity.

May 5, 2020: The Treasury Department added 2 more questions to its FAQ document, concerning safe harbor dates and foreign affiliates.

May 5, 2020: The Federal Reserve System, Treasury, and Federal Deposit Insurance Corporation released an inter-agency interim final rule on PPP loans and the Liquidity Coverage Ratio.

May 6, 2020: The Treasury Department added 1 more question to its FAQ document on the safe harbor deadline.

May 8, 2020: The SBA announced an interim final rule on nondiscrimination laws and PPP loans.

KEY MOMENT: May 8, 2020: SBA released PPP loan data for 4/27/20 through 5/8/20. SBA begins producing weekly reports at this point.

May 11, 2020: Members of the House Select Subcommittee on the Coronavirus Crisis wrote to five large companies that had received PPP funds, asking them to return the money.

May 13, 2020: The Treasury Department added 2 more questions to its FAQ document regarding good-faith certification and full loan repayment.

KEY MOMENT: May 14, 2020: The Treasury Department walked back the possibility of PPP loans under \$2 million being reviewed before receiving loan forgiveness, as certified loans under \$2 million would be assumed to be in good faith.

May 16, 2020: SBA released aggregate PPP loan data.

May 18, 2020: SBA 'safe harbor' deadline for companies to return PPP loans without the possibility of audits.

May 19, 2020: The SBA announced an interim final rule focused on increasing the amount of existing PPP loans based on partnerships or seasonal employment.

May 19, 2020: The SBA announced an interim final rule concerning electric cooperatives.

May 19, 2020: The Treasury Department added 1 more question to its FAQ document regarding the SBA Form 1502 reporting process. As of June 17, 2020, this was the most recent addition to the FAQ document.

May 21, 2020: The SBA announced an interim final rule focused on the treatment of companies with foreign affiliates in PPP loans.

May 23, 2020: SBA released aggregate PPP loan data.

May 26, 2020: The SBA announced an interim final rule extending the safe harbor provision.

May 30, 2020: SBA released aggregate PPP loan data.

June 1, 2020: The SBA announced an interim final rule regarding loan review procedures and borrower and lender responsibilities in the PPP.

June 1, 2020: Treasury and the SBA announced an interim final rule regarding requirements for loan forgiveness.

KEY MOMENT: June 5, 2020: Following passage of the Paycheck Protection Flexibility Act (PPFA):

- The amount of PPP funds required to be used on payroll costs dropped to 60-percent from 75-percent.
- The amount of time for PPP loans to be spent extended to 24 weeks from 8 weeks.
- The minimum maturity term of a PPP loan was extended to five years from two years.

June 6, 2020: SBA released aggregate PPP loan data.

KEY MOMENT: June 10, 2020: During a congressional hearing, Treasury Secretary Steve Mnuchin said that PPP loan info was proprietary and confidential information, indicating basic info may not be released.

June 11, 2020: The SBA announced an interim final rule concerning telephone cooperatives.

June 12, 2020: Treasury Department issued revised guidance on PPP loans, mostly instituting the PPFA changes, but also expanding eligibility for business owners who had felony convictions.

June 12, 2020: SBA released aggregate PPP loan data.

June 12, 2020: Labor groups objected to changes made in the Paycheck Protection Flexibility Act, saying the flexibility could result in the prioritization of business bottom lines instead of workers' paychecks.

June 15, 2020: Mnuchin somewhat walked back comments from June 10 regarding public disclosures of PPP recipients, saying he would work with lawmakers "to strike the appropriate balance for proper oversight" of PPP loans.

June 16, 2020: The SBA released revisions to the first interim final rule on PPP.

June 17, 2020: The SBA released additional revisions to the first interim final rule on PPP.

June 17, 2020: The SBA released revisions to the third and sixth interim final rules,

KEY MOMENT: June 17, 2020: The SBA updated the loan forgiveness application to require fewer calculations and less overall documentation.

June 20, 2020: SBA releases aggregate PPP loan data.

KEY MOMENT: June 20, 2020: SBA announced PPP loan information would be released for companies receiving more than \$150,000 from the program. Aggregate statistics, including demographic data, would be made available for loans under \$150,000.

June 25, 2020: The Treasury Department added 1 more question to its FAQ document clarifying PPP loan date maturity.

June 27, 2020: SBA released aggregate PPP loan data.

KEY MOMENT: June 30, 2020: Final day for PPP applications.

July 6, 2020: SBA and Treasury released loan data on the recipients of PPP loans above \$150,000 up to that point.

July 16, 2020: Treasury published an interim final rule regarding loans to principal shareholders of banks.

KEY MOMENT: August 8, 2020: The Paycheck Protection Program closed loan applications.

August 11, 2020: The Treasury Department added 2 more question to its FAQ document, regarding payment of fees to lenders and specifies vision and dental are included in group health benefits provisions.

August 27, 2020: Treasury published an interim final rule clarifying forgiveness on non-payroll costs.

The Paycheck Protection Program Was A Small Business Relief Program Initially Funded Out Of The CARES Act, Designed To Provide Small Business Relief During COVID-19 Via Forgivable Loans

The Paycheck Protection Program Was A Small Business COVID-19 Relief Program, Launched By The Small Business Administration In April 2020 From Congressional Funding Designated In The CARES Act, And Then Refunded In Late April And June 2020

The Paycheck Protection Program Received \$349 Billion Funding From The CARES Act

March 27, 2020: The CARES Act Was Signed Into Law. [White House – HR 748 Signing Remarks, [3/27/20](#)]

April 3, 2020: Small Business Administration (SBA) Launched The Paycheck Protection Program (PPP), A Fund Designed For Small Businesses Struggling To Meet Expenses During The COVID-19 Pandemic Out Of Funding Allocated From The CARES Act. “The U.S. Small Business Administration Administrator Jovita Carranza today launched the Paycheck Protection Program, a \$349 billion emergency loan program created last week with the President’s signing of the Coronavirus Aid, Relief, and Economic Security Act (CARES). The program provides forgivable loans up to \$10 million to small businesses left financially distressed by the Coronavirus (COVID-19) pandemic. The loans, which will be administered at the local level by a national network of banks and credit unions, are designed to maintain the viability of millions of small businesses struggling to meet payroll and day-to-day operating expenses.” [Small Business Administration – Press Release, [4/3/20](#)]

Late April 2020: Congress Passed An Additional \$310 Billion In Funding For The PPP Program

April 28, 2020: The President Signed A Bill Authorizing An Additional \$310 Billion In Funding For The PPP. “The Paycheck Protection Program, the U.S. government’s coronavirus relief fund for small businesses, resumed billions of dollars in low-interest lending on Monday, but with the nation’s banks reporting some bumps along the way. [...] President Donald Trump signed the bill Friday that authorizes an additional \$310 billion in funds for the program, which offers forgivable, 1% interest loans for companies with a maximum of 500 employees. That’s on top of the \$350 billion that was loaned out in the first round of the program in a mere two weeks.” [CBS, [4/28/20](#)]

June 2020: Congress Passed The Paycheck Protection Program Flexibility Act, Which Extended Payback Periods And Increased Flexibility

June 5, 2020: Congress Passed The Paycheck Protection Program Flexibility Act. “On June 5, 2020, the U.S. President signed into law the Paycheck Protection Program Flexibility Act (PPP Flexibility Act or Act) to provide businesses with greater flexibility and more time to maximize forgiveness of loans received under the Paycheck Protection Program (PPP), as enacted under the Coronavirus Aid, Relief, and Economic Security Act (as amended, supplemented or otherwise modified from time to time, including, without limitation, by the Paycheck Protection Program and Health Care Enhancement Act, applicable federal regulations and interpretive guidance issued by the SBA and Treasury, the CARES Act).” [National Law Review, [6/13/20](#)]

Loans Were Intended For Small Businesses, Generally Those Considered To Have Less Than 500 Employees, But With A Notable Carve Out For Chain Restaurants And Using Statutory Definitions

The Paycheck Protection Program Was Meant For Small Businesses – Generally Considered To Have Under 500 Employees, But Using Statutory Standards

Treasury: Small Businesses Can Be Eligible Borrowers If They Meet The Existing Statutory And Regulatory Definition Of A “Small Business Concern.” “Small business concerns can be eligible borrowers even if they have more than 500 employees, as long as they satisfy the existing statutory and regulatory definition of a ‘small business concern’ under section 3 of the Small Business Act, 15 U.S.C. 632. A business can qualify if it meets the SBA employee-based or revenue based size standard corresponding to its primary industry. Go to www.sba.gov/size for the industry size standards.” [Treasury Department – “Paycheck Protection Program Loans – Frequently Asked Questions,” [5/27/20](#)]

Payroll Protection Program Was Intended For Small Businesses, Traditionally Defined As Under 500 Employees. “Restaurant chains, construction companies and mobile-home makers are among more than a million businesses approved for loans so far under the government's \$349 billion Paycheck Protection Program. The program is primarily intended to benefit small businesses — defined as those with fewer than 500 employees — hurt by the coronavirus pandemic. However, some larger, publicly traded companies have also qualified for loans.” [National Public Radio, [4/21/20](#)]

Treasury: Small Businesses Can Be Eligible Borrowers If They Meet The Existing Statutory And Regulatory Definition Of A “Small Business Concern.” “Small business concerns can be eligible borrowers even if they have more than 500 employees, as long as they satisfy the existing statutory and regulatory definition of a ‘small business concern’ under section 3 of the Small Business Act, 15 U.S.C. 632. A business can qualify if it meets the SBA employee-based or revenue based size standard corresponding to its primary industry. Go to www.sba.gov/size for the industry size standards.” [Treasury Department – “Paycheck Protection Program Loans – Frequently Asked Questions,” [5/27/20](#)]

A High-Profile Carve-Out In The Legislation, Fought For By Lobbying Groups, Okayed Lending To Companies That Exceeded The Employee Count For Chain Organizations Such As Restaurants

New York Times: “Special-Interest Provisions” In The Coronavirus Stimulus Package Allowed Chain Restaurants And Hotels To File For Small Business Loans, Despite Exceeding Employment Figures. “Tucked into the largest bailout in United States history — a \$2 trillion federal stimulus package agreed to by congressional leaders and the White House early Wednesday in an effort to reduce the economic devastation of the coronavirus outbreak — are a range of provisions that stand to benefit specific industries and interest groups. [...] Many of these special-interest provisions would be impossible for a casual reader of the legislation to identify. For example, on Page 15 of the bill, there is a section with the title ‘Business Concerns With More Than 1 Physical Location.’ It says this change in federal law will apply to companies that fit ‘a North American Industry Classification System code beginning with 72’ — a reference that turns out to mean the hotel and restaurant industry. The provision says that if a company owns multiple hotels, even if the overall hotel or restaurant chain has more than 500 employees — the limit to qualify for treatment as a small business — it will still be able to take advantage of the small-business benefits offered in the rescue package.” [New York Times, [3/25/20](#)]

Wall Street Journal: Language In The Coronavirus Stimulus Package Allowed Big Companies To Participate, Despite Aim Of Program Being For Businesses With 500 Or Fewer Employees. “While the new \$350 billion Paycheck Protection Program is aimed at businesses with 500 or fewer employees, language in the \$2 trillion federal stimulus bill allows big restaurant and hotel chains to participate regardless of how many people they employ.” [Wall Street Journal, [4/6/20](#)]

The Legislative Carve Out For Chain Companies Was Lobbied For By The National Restaurant Association. “While the new \$350 billion Paycheck Protection Program is aimed at businesses with 500 or fewer employees, language in the \$2 trillion federal stimulus bill allows big restaurant and hotel chains to participate regardless of how many people they employ. Sean Kennedy, executive vice president for the National Restaurant Association, which lobbied for the restaurant-and-hotel exception, says size shouldn't

matter. 'The restaurant industry is uniquely affected by this pandemic,' he said. 'It was the first industry shut down. We think we deserve a unique response from the federal government.'" [Wall Street Journal, [4/6/20](#)]

While Subject To Caps And Penalties, PPP Loans Were Designed To Be Forgiven If Utilized For Payroll And Business Expenses

PPP Loans Were Designed To Be Forgiven If Certain Conditions, Namely That The Majority Of Funds Go Towards Payroll Costs

The PPP Offered Loan Forgiveness, As Long As 60-Percent Of Loan Proceeds Went Towards Payroll Costs. "The CARES Act made these PPP loans available to cash-strapped small businesses starting on April 3. Since then, more than 5 million loans have been approved, accounting for \$525 billion, according to SBA data as of Aug. 8 – the last day firms could apply for a loan. The program attracted a bevy of applicants, since the loans are forgivable if borrowers devote at least 60% of the proceeds to payroll costs. Even if a business fell short of the threshold, partial forgiveness may be an option." [CNBC, [8/12/20](#)]

Payroll Costs Covered By PPP Maxed Out At \$100,000 Annually Per Employee, And \$10 Million Overall For A Loan

Payroll Costs Were Maxed At \$100,000 Annually Per Employee. "Payroll costs are capped at \$100,000 on an annualized basis for each employee." [Treasury Department – "Paycheck Protection Program Information Sheet," accessed [6/12/20](#)]

Treasury: PPP Loans Were Subject To A \$10 Million Cap. "Loans can be for up to two months of your average monthly payroll costs from the last year plus an additional 25% of that amount. That amount is subject to a \$10 million cap. If you are a seasonal or new business, you will use different applicable time periods for your calculation. Payroll costs will be capped at \$100,000 annualized for each employee." [Treasury Department – PPP Fact Sheet, accessed [6/15/20](#)]

Companies Faced Potential Penalties On PPP Loan Forgiveness For Salary Reductions Or Layoffs

PPP Loan Forgiveness Can Be Potentially Reduced If Full-Time Employee Counts Were Decreased, Or If Salaries Were Reduced More Than 25-Percent. "You will also owe money if you do not maintain your staff and payroll. • Number of Staff: Your loan forgiveness will be reduced if you decrease your full-time employee headcount. • Level of Payroll: Your loan forgiveness will also be reduced if you decrease salaries and wages by more than 25% for any employee that made less than \$100,000 annualized in 2019. • Re-Hiring: You have until June 30, 2020 to restore your full-time employment and salary levels for any changes made between February 15, 2020 and April 26, 2020." [Treasury Department – "Paycheck Protection Program Information Sheet," accessed [6/12/20](#)]

PPP Loan Info Releases

The Treasury Releases Data On PPP Loans, Most Recently Doing So On August 8, 2020. [Treasury Department – SBA Paycheck Protection Program Loan Level Data, accessed [9/16/20](#)]

- Loans under \$150k are released by state, with company information (such as name) not disclosed.
- Loans above \$150k are released in a bulk file, including company information.

The Treasury Data, Along With Extra Information From SEC Filings For Public Companies That Have Received Loans, Were Available Via Accountable.US's CovidBailoutTracker. [CovidBailoutTracker – Paycheck Protection Program, accessed [9/16/20](#)]

POOR DESIGN AND IMPLEMENTATION:

**The Paycheck Protection Program's
Scattershot Implementation,
Mismanagement, And Lack Of
Transparency Left It Vulnerable
To Fraud And Misuse**

PPP's Scattershot Implementation Led To Confusion And Delays, Harming Businesses

Section Summary: The PPP suffered from administrative and legislative changes as loans were being disbursed – ultimately harming businesses in need. These came largely in the form of “interim final rules” which impacted loan terms and conditions.

- Along with 3 Congressional actions, the Treasury Department instituted at least 22 “interim final rules,” on issues such as self-employed individuals and disbursement requirements.
- Sole proprietors stood as a group impacted by administrative delay, as they were left out of the earliest stages of loan distribution until one week later. Representative Nydia Velázquez (D-NY) has also noted the low rate of sole proprietorship coverage under PPP, 3-percent, in July 2020.
- On the first day of the program, customers flooded the Twitter accounts of banks with requests for service – with banks forced to respond they were not given sufficient guidance for day one.

Along With Congressional Changes To The Program Around Funding, The Small Business Administration Implemented At Least 22 “Interim Final Rules” Affecting Aspects Of The Program’s Implementation

High Demand Led The Paycheck Protection Program To Run Out Of Funds, Resulting In A Refunding Bill – As Well As A “Fix” Bill To Change Certain Aspects Of The Legislation

March 27, 2020: The CARES Act Was Signed Into Law, Creating The PPP. [White House – HR 748 Signing Remarks, [3/27/20](#)]

April 24, 2020: The PPP Received \$310 Billion In Additional Funding Under The Paycheck Protection Program And Health Care Enhancement Act. “The Paycheck Protection Program, the U.S. government's [coronavirus](#) relief fund for small businesses, resumed billions of dollars in low-interest lending on Monday, but with the nation's banks reporting some bumps along the way. [...] President Donald Trump signed the bill Friday that authorizes an additional \$310 billion in funds for the program, which offers forgivable, 1% interest loans for companies with a maximum of 500 employees.” [CBS News, [4/28/20](#)]

June 5, 2020: Congress Passed The Paycheck Protection Program Flexibility Act. “On June 5, 2020, the U.S. President signed into law the Paycheck Protection Program Flexibility Act (PPP Flexibility Act or Act) to provide businesses with greater flexibility and more time to maximize forgiveness of loans received under the Paycheck Protection Program (PPP), as enacted under the Coronavirus Aid, Relief, and Economic Security Act (as amended, supplemented or otherwise modified from time to time, including, without limitation, by the Paycheck Protection Program and Health Care Enhancement Act, applicable federal regulations and interpretive guidance issued by the SBA and Treasury, the CARES Act).” [National Law Review, [6/13/20](#)]

Following Initial Implementation, The Treasury Issued At Least 22 “Interim Final Rules,” Clarifying Specifics Within The Framework

Treasury Issued 19 “Interim Final Rules” To Clarify And Improve The Initial PPP Framework, And Congress Passed An Overhaul On June 5, 2020 – But Changes Did Not Help Businesses Who Had Spent The Money. “The shortcomings have yielded a patchwork of fixes. The SBA and Treasury issued 19 ‘interim final rules’ to clarify and improve the PPP, which was part of the federal government’s \$2 trillion-plus economic relief program. The congressional overhaul, signed June 5 by President Trump, gave businesses 24 weeks to spend the money and more flexibility on its uses. The changes, though, don’t help businesses that have already spent their loans.” [Wall Street Journal, [6/17/20](#)]

Interim Final Rule Announcement Timeline:

April 2, 2020: The Treasury Department announces an interim final rule (published 4/15/20) regarding basic aspects of the PPP.

April 15, 2020: The SBA announced an interim final rule, supplementing the April 2 IFR with additional guidance.

April 20, 2020: The SBA announced an interim final rule, focused on self-employed individuals.

April 28, 2020: The SBA announced another interim final rule to supplement the previous announcements.

April 30, 2020: The SBA announced another interim final rule, focused on seasonal employees.

May 4, 2020: The SBA announced an interim final rule on disbursement requirements for the PPP.

May 4, 2020: The SBA announced an interim final rule on multiple loans to a single corporate entity.

May 5, 2020: The Federal Reserve System, Treasury, and Federal Deposit Insurance Corporation released an inter-agency interim final rule on PPP loans and the Liquidity Coverage Ratio.

May 6, 2020: The Treasury Department added 1 more question to its FAQ document on the safe harbor deadline.

May 8, 2020: The SBA announced an interim final rule on nondiscrimination laws and PPP loans.

May 19, 2020: The SBA announced an interim final rule focused on increasing the amount of existing PPP loans based on partnerships or seasonal employment.

May 19, 2020: The SBA announced an interim final rule concerning electric cooperatives.

May 21, 2020: The SBA announced an interim final rule focused on the treatment of companies with foreign affiliates in PPP loans.

May 26, 2020: The SBA announced an interim final rule extending the safe harbor provision.

June 1, 2020: The SBA announced an interim final rule regarding loan review procedures and borrower and lender responsibilities in the PPP.

June 1, 2020: Treasury and the SBA announced an interim final rule regarding requirements for loan forgiveness.

June 11, 2020: The SBA announced an interim final rule concerning telephone cooperatives.

June 16, 2020: The SBA released revisions to the first interim final rule on PPP.

June 17, 2020: The SBA released additional revisions to the first interim final rule on PPP.

June 17, 2020: The SBA released revisions to the third and sixth interim final rules,

July 16, 2020: Treasury published an interim final rule regarding loans to principal shareholders of banks.

August 27, 2020: Treasury published an interim final rule clarifying forgiveness on non-payroll costs.

Changes To The Program Came Months Into The Process, And Businesses That Got Funds Early Faced Confusion Over Specifics – With Some Wishing They Had Waited

Wall Street Journal: Rule Changes And Flexibility In PPP Rules Came Late For Businesses That Got Funds Early, With Many Finding They May Have Been Better Off Waiting For The Rules To Change.

“Restaurants and retailers have applauded recent changes in the government’s \$670 billion small business rescue program that make it easier for companies battling the Covid-19 pandemic to qualify for loan forgiveness. But the increased flexibility has come late for scores of small businesses that followed the Paycheck Protection Program’s original rules—and quickly used up most or all of their money. [...] To qualify for forgiveness, many prioritized speed over efficacy. Now, with much of the money spent and the economy still hobbled, some are finding they would have been better off had they not followed the program’s original requirements in an effort to make sure their loans would be forgiven and instead gambled that the rules would change.” [Wall Street Journal, [6/26/20](#)]

Changes To The PPP Came Two Months Into The Program, At A Point Where 4.5 Million PPP Loans Totalling \$511 Billion Had Been Approved. “But the increased flexibility has come late for scores of small businesses that followed the Paycheck Protection Program’s original rules—and quickly used up most or all of their money. [...] The new rules came two months after the program’s launch. By then, 4.5 million PPP loans totaling \$511 billion had been approved, according to the Small Business Administration.” [Wall Street Journal, [6/26/20](#)]

Sole Proprietors Faced An Extra Week From Opening Date To Be Added To The PPP Process

The PPP Began Accepting Applications On April 3, 2020 – But Sole Proprietors Were Not Included In The Process Until April 10, Six Days Before The First Round Of Funding Ran Out. “While the PPP’s first round opened April 3, sole proprietors like Corado weren’t allowed to apply until April 10, six days before the first round of funding ran out.” [ProPublica, [6/5/20](#)]

Fast Company: Sole Proprietors And Contractors Faced Particular Difficulty In Securing PPP Funds, Despite Being Able To Qualify For The Program. “In addition to the SBA’s disaster loan assistance, these workers—some running businesses in which they are the sole employee, and others working on a contractor basis as 1099 employees—were supposed to qualify for loans under the federal government’s Paycheck Protection Program, which allocated \$349 billion for small business relief and was expanded to self-employed workers on Friday. In practice, trying to get any assistance under the programs has been nothing short of a travesty, these workers say.” [Fast Company, [4/13/20](#)]

Sole Proprietors Complained Of Banks Refusing To Take Loan Applications For Those Without An Existing Business Account, Inconsistent Guidance, And A Lack Of Communication From The SBA. “They describe being turned away by unsympathetic banks that refuse to take loan applications from anyone who is not an existing business customer or who doesn’t already have a line of credit. They complain of inconsistent guidance or outright radio silence from the SBA, the agency tasked with administering the loans.” [Fast Company, [4/13/20](#)]

July 2020: Representative Nydia Velázquez (D-NY) Noted A “Coverage Gap” In PPP Regarding Sole Proprietorships, Noting Just 3-Percent Of All Sole Proprietors In The United States (770,756 People) Received Loans. “In just a few chaotic months after the coronavirus economic crisis set in, the SBA scaled up to process more small business assistance than in its entire 67-year history combined, SBA officials have said. But committee chairwoman Nydia M. Velázquez, D-N.Y., said the programs could have done more to address the smallest and neediest businesses. [...] She noted that 770,756 sole proprietors received PPP loans, just 3 percent of all sole proprietors in the United States, something she called a ‘significant gap’ in the program’s coverage.” [Washington Post, [7/17/20](#)]

Despite Assurances From The Administration, Large And Public Corporations Benefitted From The PPP

Section Summary: PPP funds initial ran out in mid-April 2020, with headlines showing large corporations had received funds with many small businesses shut out, leading to bipartisan calls for greater oversight. Despite talk of consequences from Treasury Secretary Mnuchin, subsequent rounds of PPP funding continued to be disbursed to large and public corporations.

- Mnuchin responded to outrage at large corporations receiving PPP funding, calling on public companies to return funds, saying they should not “have been allowed” to receive PPP funds, and promising improvement in the second round of funds.
- Within a week of the second round of PPP funding, at least 21 publicly-traded companies had disclosed receiving loans – with many other companies continuing to receive funds throughout the remainder of the program.
- The Treasury Department also extended a ‘safe harbor’ provision that allowed PPP money to be returned without penalty, and announced any PPP loans in the amount of \$2 million or less would be deemed ‘good faith.’

Mid-April 2020: Initial PPP Funding Ran Out, Amid Reports Large Corporations Reaped Hundreds Of Millions In Money Intended For Small Businesses.

Large, Publicly Traded Corporations Received At Least \$1 Billion Meant For Small Businesses During The First Round Of PPP Funding

April 16, 2020: Bloomberg HEADLINE: “Small Business Relief Funds Drained Fast With Many Shut Out” [Bloomberg, [4/16/20](#)]

April 26, 2020: CNBC HEADLINE: Public Companies Took Far More Small Business Loans Than First Thought” [CNBC, [4/26/20](#)]

May 1, 2020: Washington Post HEADLINE: “Public Companies Received \$1 Billion In Stimulus Funds Meant For Small Businesses” [Washington Post, [5/1/20](#)]

In The Wake Of PPP Funds Running Out, There Were Bipartisan Calls For Increased Oversight On PPP

House Democrats Called For New Rules For The PPP. “Today, Democratic Members of the House of Representatives, led by Rep. Judy Chu (CA-27), chair of the House Small Business Subcommittee on Investigations, Oversight, and Regulations and Committee Chairwoman Nydia M. Velázquez (NY-07) sent a letter to US Treasury Secretary Steven Mnuchin and Small Business Administration (SBA) Administrator Jovita Carranza urging new rules for the Paycheck Protection Program (PPP). The PPP was established by Congress to help small businesses survive the coronavirus crisis without having to let go of staff. However, when SBA and Treasury expanded lending participation to all federally insured banks, they did not include any rules to prohibit exclusionary or inequitable practices. As a result, the nation’s largest banks limited applications to only their highest-value existing business customers, excluding the majority of small businesses – including many of their current customers. This has overwhelmed small banks and community lenders with applicants who have been denied service by the largest lenders. The letter, signed by 38 members, urges SBA and Treasury to correct this by immediately issuing new rules to require PPP lenders to treat all applications equally by forbidding the imposition of any application restrictions not specified by Congress or the Administration.” [U.S. Congresswoman Judy Chu, [4/16/20](#)]

Republican Senator Josh Hawley Sent A Letter To Mnuchin Pushing For More Oversight Against Corporate Greed In PPP. “Sen. Josh Hawley, R-Mo., sent a letter to Treasury Secretary Steve Mnuchin on Tuesday pushing for stricter oversight of the Paycheck Protection Program (PPP) and expressed concern about corporate cronyism with regard to coronavirus relief loans. In the letter obtained by Fox News, Hawley claimed big banks were favoring larger companies instead of helping small businesses as was intended.” [Fox News, [4/30/20](#)]

Responding To Reports Of Large Companies Taking Advantage Of PPP, Mnuchin Talked Tough On Consequences – But Subsequently Extended Safe Harbor Provisions And Reduced The Scope Of Audits As Public Companies Continued To Receive Loans

Responding To Large Firms Receiving PPP Funds, Treasury Secretary Mnuchin Warned Of “Criminal Liability” For Misuse And Said They Should Have Never Been Allowed To Take PPP Funds...

April 28, 2020: Following Criticism Of The Failure To Stop Large Companies From Receiving PPP Funding, Secretary Mnuchin Called On Public Companies To Return Funds, And Warned Of “Criminal Liability” For Misuse. “The federal government plans to audit any company taking out more than \$2 million from the small business loan program, Treasury Secretary Steven Mnuchin said in a pair of interviews on Tuesday, adding that large corporations that wrongfully claimed the money could be subject to ‘criminal liability.’ [...] The Paycheck Protection Program, which provides emergency small business funding, has faced backlash after several large corporations disclosed they had taken out loans that were intended for smaller companies with fewer than 500 employees.” [Forbes, [4/28/20](#)]

- **Mnuchin: “This Was A Program Designed For Small Business. It Was Not A Program That Was Designed For Public Companies That Had Liquidity.”** [CNBC, [4/28/20](#)]
- **Mnuchin: “It’s The Borrowers Who Have Criminal Liability If They Made This Certification And It’s Not True.”** [New York Times, [4/28/20](#)]

April 28, 2020: Asked About Large Companies Receiving Small Businesses Funds, Mnuchin Said “We Don’t Think That They Ever Should Have Been Allowed To” Take PPP Money. MNUCHIN: “I think it is unfortunate that there’s a small number of companies that have created a lot of publicity that took loans. I think it was inappropriate for the companies to take the loans. It was clear there was a certification. We don’t think that they ever should have been allowed to.” [CNBC, [04/28/20](#)]

April 28, 2020: Mnuchin Pledged That Second Round Of PPP Funding Would Provide “Much More Loans At Much Smaller Amounts.” TRUMP: “We began accepting applications for the second round of funding yesterday. Demand is extraordinarily high [...] One of the things that the Secretary of the Treasury told me is that the amounts are much more loans at much smaller amounts.” [YouTube, Fox News, [4/28/20 \(05:25\)](#)]

Mnuchin On PPP: “We Will Make Sure That What Was The Intent For Taxpayers Is Fulfilled Here.” MNUCHIN: “And let me just say, I’m going to be putting out an announcement this morning that for any loan over \$2 million, the SBA will be doing a full review of that loan before there is loan forgiveness. So, we will make sure that what was the intent for taxpayers is fulfilled here.” [CNBC, [04/28/20](#)]

... Yet 24 Public Companies Revealed That, On The First Day Of The Renewed Program Alone, They Received PPP Loans

At Least 24 Public Companies Reported Receiving PPP Loans On April 27, 2020.
[CovidBailoutTracker.org, Accessed 9/18/20]

The Trump Administration Subsequently Extended A “Safe Harbor” Provision, Allowing Companies To Return Money Without An Audit, And Walked Back The Review Of Loans Under \$2 Million

SBA Extended The Safe Harbor Period For Returning PPP Money By One Week To May 14. “The U.S. Small Business Administration (SBA) has extended the safe-harbor period for returning Paycheck Protection Program (PPP) funds by one week to May 14.” [Journal of Accountancy, [5/6/20](#)]

May 15, 2020: SBA Released The PPP Loan Forgiveness Application. [Small Business Administration, Paycheck Protection Program Loan Forgiveness Application, Accessed [6/24/20](#)]

- **Companies Must Apply For Loan Forgiveness By October 31, 2020.** [Small Business Administration, Paycheck Protection Program Loan Forgiveness Application, Accessed [6/24/20](#)]

May 15, 2020: Treasury Announced It Would Not Review PPP Loans Under \$2 Million. “But this week's update clarified that those whose loans are smaller than \$2 million won't have to worry about proving why they need the money.” [CNN, [5/15/20](#)]

- **SBA: “Any Borrower That ... Received PPP Loans With An Original Principal Amount OF Less Than \$2 Million Will Be Deemed ... Good Faith.”** [Department of Treasury, Paycheck Protection Program Frequently Asked Questions, Accessed [6/24/20](#)]

Mnuchin Promised To Hold Companies Accountable If They Took PPP Aid Without Meeting Program Criteria.

- **Mnuchin On LA Lakers Loan: “I Think That’s Outrageous.”** [CNBC, [4/28/20](#)]
- **Mnuchin: “We Will Make Sure That What Was The Intent For Taxpayers Is Fulfilled Here.”** [Business Insider, [4/28/20](#)]
- **Mnuchin: “It Was Inappropriate For Most Of These Companies To Take The Loans. [...] We Don’t Think That They Ever Should Have Been Allowed To.”** [Axios, [4/28/20](#)]

The Trump Administration Faced Criticism Over Lack Of Transparency In The Program – Resulting In A Compromise Release Of Data That Only Displayed 14-Percent Of Borrowers In The Program

Section Summary: The PPP faced controversy on transparency. Initially, the SBA only released weekly topline reports. The subject came up during a June 2020 congressional appearance by Secretary Mnuchin, where he argued the names were “confidential.” Following bipartisan and news organization pushback, a limited compromise release that left many names unrevealed was produced by Treasury.

- The PPP was an adoption of an existing SBA program, 7(a) loans, to the needs of COVID-19. 7(a) loans already had existing disclosure requirements on loan recipient names.
- The final compromise released company information on PPP loans above \$150,000, while only providing amounts for loans under \$150,000. The compromise data release ultimately displayed names for only 14-percent of borrowers, and 75-percent of the funds, in the program.
- A watchdog group made up of government inspectors general has called for company information on PPP recipients above \$25,000.

The Paycheck Protection Program Was Done Under The Existing 7(a) Loan Program, Which Allowed For Disclosure Of Loan Recipients And Terms

National Law Review: The Paycheck Protection Program Was Offered Under The Auspices Of The Section 7(a) Program. “The CARES Act’s Paycheck Protection Program (PPP) will be offered under the auspices of the Section 7(a) program authority, with some differences from the traditional SBA 7(a) program. In this regard, a PPP loan is intended to enable eligible small business borrowers to keep their workers on the payroll.” [National Law Review, [4/9/20](#)]

Small Business Administration: Information Disclosed On Loan Recipients “Generally” Included Names Of Recipients, Loan Amounts, Officer Names, Loan Terms. “These details clarify what information is generally releasable and what is exempt from FOIA requests. [...] Information generally disclosed includes: Names and commercial street and email addresses of recipients of approved loans, SBIC licenses, Certificates of Competency, lease guarantees, surety bond guarantees and requests for counseling. Names of officers, directors, stockholders or partners of recipient firms. Kinds and amounts of loans, loan terms, interest rates (except on home disaster loans), maturity dates, general purpose, etc.” [Small Business Administration – FOIA, accessed [6/15/20](#)]

The SBA Includes A Backlog Of 7(a) Loan Information, Dating Back To 1991, On Its Website.

- SBA 7(a) & 504 loan data reports
 - [SBA 7\(a\) & 504 Loan Data Dictionary](#)
 - [1991 - 1999 SBA 7\(a\) Loan Data](#)
 - [2000 - 2009 SBA 7\(a\) Loan Data](#)
 - [2010 - Present SBA 7\(a\) Loan Data](#)
 - [1991 - Present SBA 504 Loan Data](#)

[Small Business Administration – “FOIA,” accessed [6/15/20](#)]

Secretary Mnuchin Signaled PPP Recipient And Loan Data Would Not Be Released – Receiving Bipartisan Criticism And Lawsuits From News Organizations Before Announcing A Compromise On Loans Of \$150,000 Or More

June 2020: In A Congressional Hearing, Secretary Mnuchin Signaled PPP Recipient And Loan Data Would Not Be Released, Leading To Bipartisan Pushback

Treasury Secretary Steven Mnuchin Signalled The Trump Administration Would Not Disclose PPP Loan Information, Calling It “Proprietary” And “Confidential.” “In a stunning move, the Trump administration is signaling that it won’t disclose the recipients of more than \$500 billion in bailout money delivered to 4.5 million businesses through the PPP. Mnuchin says it’s ‘proprietary’ and ‘confidential’ information. The GAO told POLITICO that the Small Business Administration is also withholding PPP loan data the agency requested as part of its oversight efforts.” [Politico, [6/11/20](#)]

Five Major News Organizations, Including The Washington Post, Sued The SBA Regarding Transparency In The SBA Loan Process. “The Washington Post and four other news organizations are suing the U.S. Small Business Administration for access to government records showing who received more than \$700 billion in taxpayer-backed small-business loans. [...] ‘The Small Business Administration has disbursed hundreds of billions of dollars through [the Paycheck Protection Program] and the Economic Injury Disaster Loan program during the COVID-19 crisis, but it has refused to disclose who is receiving the funds and in what amounts,’ Post Vice President for Communications Kris Coratti Kelly said in a statement. ‘Our lawsuit seeks to enforce federal law and enable the public to see how their tax dollars are being spent on these massive loan programs.’” [Washington Post, [5/12/20](#)]

- **The Lawsuit From Washington Post, New York Times, ProPublica, Dow Jones, And Bloomberg Was Uploaded To The Washington Post Website.** [Washington Post, [5/12/20](#)]

Mnuchin's Comments On Loan Transparency Received Bipartisan Pushback. "Treasury Secretary Steven Mnuchin is facing criticism from lawmakers and watchdog groups after refusing to disclose the businesses that received more than \$500 billion in government-backed emergency loans. [...] Just last week, Senate Small Business Chair Marco Rubio (R-Fla.) and Cardin asked the SBA to publish the names and addresses of Paycheck Protection Program borrowers as well as their lenders and loan amounts. But the question of disclosure has split Republicans in recent weeks. In May, GOP lawmakers were divided over a bill on the House floor that would have required the SBA to identify businesses that received \$2 million or more in Paycheck Protection Program loans and assistance under the Economic Injury Disaster Loan Program. Thirty-eight Republicans supported the bill and 146 opposed it, blocking the legislation from moving forward." [Politico, [6/12/20](#)]

The Trump Administration Reversed Course, Announcing A "Compromise" Transparency Measure Releasing The Names Of Borrowers Who Received \$150,000 Or More

The Trump Administration Announced Information On PPP Loans Of \$150,000 Or More Would Be Released, Constituting 75-Percent Of Funds Borrowed Through The Program. "Bowing to bipartisan pressure in Congress, the Trump administration said it would release the names of borrowers who received Paycheck Protection Program loans of \$150,000 or more, accounting for about 75% of funds lent through the program. The Treasury Department and Small Business Administration said Friday they would disclose business names, addresses, demographic data, number of jobs supported and other details." [Wall Street Journal, [6/20/20](#)]

Specific Loan Amounts Would Not Be Disclosed, But Would Be Put Into One Of Five Size Categories. "Bowing to bipartisan pressure in Congress, the Trump administration said it would release the names of borrowers who received Paycheck Protection Program loans of \$150,000 or more, accounting for about 75% of funds lent through the program. [...] Specific loan amounts won't be disclosed, but the government will place each loan in one of five size categories ranging from \$150,000 to the maximum loan amount of \$10 million, the agencies said." [Wall Street Journal, [6/20/20](#)]

While The Transparency Compromise Covered 75-Percent Of Funds, It Only Covered 14-Percent Of Borrowers. "Bowing to bipartisan pressure in Congress, the Trump administration said it would release the names of borrowers who received Paycheck Protection Program loans of \$150,000 or more, accounting for about 75% of funds lent through the program. [...] Of the roughly 4.6 million borrowers in the program, about 86% took out loans worth less than \$150,000, according to data released by the SBA." [Wall Street Journal, [6/20/20](#)]

For Loans Under \$150,000, Summary Information On ZIP Code, Industry, Business Type, And Demographic Information Would Be Released. "Bowing to bipartisan pressure in Congress, the Trump administration said it would release the names of borrowers who received Paycheck Protection Program loans of \$150,000 or more, accounting for about 75% of funds lent through the program. [...] For loans of less than \$150,000, the agencies said they would disclose summary information broken down by ZIP Code, industry, business type and various demographic categories." [Wall Street Journal, [6/20/20](#)]

The Pandemic Response Accountability Committee Has Called On The Trump Administration To Reveal The Names Of Borrowers \$25,000 And Up

The Pandemic Response Accountability Committee, A Watchdog Panel Of Government IGs, Called On The Trump Administration To Reveal Borrower Information For Loan Recipients Above \$25,000, Citing A 2006 Law. "A watchdog panel of government inspectors general is asking the Small Business Administration to provide the names of borrowers who received Paycheck Protection Program loans of \$25,000 and up, citing a 2006 law that requires their disclosure. The request is being made by the Pandemic Response Accountability Committee, a panel of inspectors general from across the government that is

responsible for ensuring relief funds appropriated under the \$2 trillion Cares Act and other pandemic relief measures are being spent appropriately.” [Wall Street Journal, [8/25/20](#)]

The PPP Was Inefficient And Failed To Support Workers...Each Job Saved Cost Taxpayers \$228K+

If The PPP Saved 2.3 Million Jobs And Cost Over \$525 Billion, Then Each Job Saved Was Valued At \$228,266

PPP Saved Only 2.3 Million Jobs. “We estimate that the PPP boosted employment at eligible firms by 2 to 4.5 percent, with a preferred central tendency estimate of approximately 3.25 percent. Our estimates imply that the PPP increased aggregate U.S. employment by 1.4 million to 3.2 million jobs through the first week of June 2020, with a preferred central tendency estimate of about 2.3 million workers.” [MIT Report, [7/22/20](#)]

Nearly 30 Million Americans Were Unemployed in September 2020. [Business Insider, [9/12/20](#)]

PPP Distributed \$525,012,201,124 in Loans. [SBA, accessed [9/22/20](#)]

BENEFITTED THOSE AT THE TOP :
Intended As A Life-Line For
Small Businesses, The PPP
Benefitted The Wealthy And
Well-Connected

The Trump Administration Said The PPP Was Intended To Help Small Businesses Amidst The COVID-19 Pandemic

April 3, 2020: Small Business Administration (SBA) Launched The Paycheck Protection Program (PPP), A Fund Designed For Small Businesses Struggling To Meet Expenses During The COVID-19 Pandemic.

"The U.S. Small Business Administration Administrator Jovita Carranza today launched the Paycheck Protection Program, a \$349 billion emergency loan program created last week with the President's signing of the Coronavirus Aid, Relief, and Economic Security Act (CARES). The program provides forgivable loans up to \$10 million to small businesses left financially distressed by the Coronavirus (COVID-19) pandemic. The loans, which will be administered at the local level by a national network of banks and credit unions, are designed to maintain the viability of millions of small businesses struggling to meet payroll and day-to-day operating expenses." [Small Business Administration – Press Release, [4/3/20](#)]

Payroll Protection Program Was Intended For Small Businesses, Traditionally Defined As Under 500 Employees. "Restaurant chains, construction companies and mobile-home makers are among more than a million businesses approved for loans so far under the government's \$349 billion Paycheck Protection Program. The program is primarily intended to benefit small businesses — defined as those with fewer than 500 employees — hurt by the coronavirus pandemic. However, some larger, publicly traded companies have also qualified for loans." [National Public Radio, [4/21/20](#)]

April 28, 2020: Mnuchin Said "We Don't Think That [Large Corporations] Ever Should Have Been Allowed To" Take PPP Money. MNUCHIN: "I think it is unfortunate that there's a small number of companies that have created a lot of publicity that took loans. I think it was inappropriate for the companies to take the loans. It was clear there was a certification. We don't think that they ever should have been allowed to." [CNBC, [04/28/20](#)]

Studies Of The Paycheck Protection Program Found It Was Most Beneficial Towards Larger Firms And Firms Which Could Quickly Reopen

A National Bureau Of Economic Research Article Said The Design Of The Paycheck Protection Program "Skewed Its Resources Towards Larger Firms" To The Detriment Of Smaller Businesses."

"The Paycheck Protection Program (PPP) extended 669 billion dollars of forgivable loans in an unprecedented effort to support small businesses affected by the COVID-19 crisis. This paper provides evidence that information frictions and the 'first-come, first-served' design of the PPP program skewed its resources towards larger firms and may have permanently reduced its effectiveness. Using new daily survey data on small businesses in the U.S., we show that the smallest businesses were less aware of the PPP and less likely to apply. If they did apply, the smallest businesses applied later, faced longer processing times, and were less likely to have their application approved. These frictions may have mattered, as businesses that received aid report fewer layoffs, higher employment, and improved expectations about the future." [National Bureau of Economic Research – Working Paper No. 27624, [July 2020](#)]

Wall Street Journal: The PPP Was Most Helpful To Enterprises Able To Continue Operations Or Quickly Reopen, While Failing Those Closed During Prolonged Lockdowns Or Struggling With High Overhead.

"The Paycheck Protection Program, which sped through Congress, was a rare instance of bipartisan cooperation between lawmakers and the administration, and opened for business on April 3, just two weeks after it was drafted. The program, known as the PPP, kept millions of workers off unemployment rolls by providing temporary support for businesses facing pandemic lockdowns and disappearing demand. Yet the PPP left many of the hardest-hit empty-handed. [...] The PPP was most helpful to enterprises able to continue operations or quickly reopen. It largely failed those that either closed during prolonged lockdowns, drew too few customers to afford more than a skeleton staff, or were overwhelmed by high overhead costs, such as rent." [Wall Street Journal, [6/17/20](#)]

After Lobbying For Access To PPP Funding, Large Chain Restaurants (With High Employee Counts And Higher Executive Pay) Took Tens Of Millions In PPP Funds

SUMMARY: The Paycheck Protection Program was introduced amid the COVID-19 pandemic as a lifeline for small businesses (generally considered those with 500 employees or less). Yet, following \$50,000 worth of lobbying efforts from the National Restaurant Association in the second quarter of 2020, a provision was included in the CARES Act that allowed chain restaurants with significantly higher employee counts to apply.

Recently, the National Restaurant Association has continued its push for taxpayer money with apparent success. In a July 17 hearing, Trump's Treasury Secretary, Steven Mnuchin, endorsed extending the PPP but "targeting" money towards the restaurant and hospitality sectors, two days after the National Restaurant Association called for industry-specific aid.

Numerous fast food chains and franchisees received loans, including:

- **Sbarro LLC**, a well-known pizza chain with at least 1,001 employees and "more than 600 locations in 26 countries," received **up to \$10 million** in PPP funding.
- San Francisco Taco Bell franchiser, **Golden Gate Bell**, received **up to \$10 million** in PPP funding. In 2014, the company was reportedly California's largest Taco Bell franchisee with 85 locations.
- Las Vegas-based **WBF Management**, which owned 43 McDonald's restaurants between Nevada and Arizona, received up to **\$10 million** in PPP funding. The company was reported to have a workforce of over 1,500 in Las Vegas alone.
- Southern McDonald's franchisee **Retzer Group, Inc.**—previously alleged to have engaged in withholding payroll—received up to **\$10 million** in PPP funding.
- **Wendy's Of Bowling Green, Inc.**, reported to have a workforce above 1,000 employees, received **up to \$10 million** in PPP funding.
- Per public filings, Colorado-based publicly traded fast food company **Good Times Restaurants** most recently listed 2,535 employees. Yet, through subsidiaries, the company received over **\$11.6 million** in PPP funding.
- **Ruth's Chris Steak House** was a prominent early recipient of PPP funds. Following criticism, they decided to return the funds – an action not taken by any other company listed in this document.

In addition to fast food, numerous entities owning multiple mid-or-high-level restaurants, some profitable or with high executive compensation, received loans, including:

- Per public filings, **Ark Restaurants Corporation**—parent company for a variety of restaurants across the country, including Bryant Park Grill, marked by USA Today as one of the highest-grossing restaurants in the country for 2018. Ark made over \$2.6 million in 2019 and paid out over \$2.2 million to executives—even engaging in over \$100,000 worth of stock buybacks—while employing a total of 2,145 people. Yet the company was still able to receive over **\$9 million** from PPP.
- Per public filings, **Flanigan's Enterprises** is a South Florida company that primarily operates chain Flanigan's Seafood Bar and Grill, as well as a chain of liquor stores, for a total of 1,870 employees. Through a variety of subsidiaries, the company received over **\$13 million** in PPP funding. In 2019, Flanigan's produced a \$5.3 million profit, paid out \$520,000 in dividends, and paid its executives over \$3 million in compensation.
- Per public filings, **BBQ Holdings, Inc.** is the parent company of Famous Dave's barbeque restaurants and Granite City Food and Brewery, and employed over 1,600 people. In 2019, BBQ Holdings CEO Jeffrey Crivello received nearly \$1.3 million in compensation. Yet BBQ Holdings received **\$13 million** in PPP funding in April 2020.
- Casual dining restaurant **Urban Plates, LLC** had at least 19 locations listed on their website. After receiving **\$5-10 million** in PPP funding, the company reported saving only 204 jobs.

The Paycheck Protection Program Was Designed As A Lifeline For Small Businesses Amidst COVID – But Lobbyists Worked A Special Interest Provision Into The Bill, Providing Funds For Chain Restaurants

A “Special Interest Provision,” Lobbied For By The National Restaurant Association, Was Added To The CARES Act, Which Allowed Chain Restaurants To Receive Funding From The Program

“Special-Interest Provisions” In Coronavirus Stimulus Allowed Chain Restaurants And Hotels To File For Small Business Loans, Despite Exceeding Employment Figures. “Tucked into the largest bailout in United States history — a \$2 trillion federal stimulus package agreed to by congressional leaders and the White House early Wednesday in an effort to reduce the economic devastation of the coronavirus outbreak — are a range of provisions that stand to benefit specific industries and interest groups. [...] Many of these special-interest provisions would be impossible for a casual reader of the legislation to identify. For example, on Page 15 of the bill, there is a section with the title ‘Business Concerns With More Than 1 Physical Location.’ It says this change in federal law will apply to companies that fit ‘a North American Industry Classification System code beginning with 72’ — a reference that turns out to mean the hotel and restaurant industry. The provision says that if a company owns multiple hotels, even if the overall hotel or restaurant chain has more than 500 employees — the limit to qualify for treatment as a small business — it will still be able to take advantage of the small-business benefits offered in the rescue package.” [New York Times, [3/25/20](#)]

The National Restaurant Association Successfully Lobbied To Allow Big Restaurant And Hotel Chains To Get PPP Despite Program’s Target Of Businesses With 500 Or Fewer Employees. “While the new \$350 billion Paycheck Protection Program is aimed at businesses with 500 or fewer employees, language in the \$2 trillion federal stimulus bill allows big restaurant and hotel chains to participate regardless of how many people they employ. Sean Kennedy, executive vice president for the National Restaurant Association, which lobbied for the restaurant-and-hotel exception, says size shouldn’t matter.” [Wall Street Journal, [4/6/20](#)]

- **Q2 2020: The National Restaurant Association Reported \$50,000 In Lobbying On Issues Including “Policy Issues Related To The Restaurant Industry And The Federal Response To The COVID-19 Virus, Including The ... CARES Act.”** [Clerk of the House of Representatives, Lobbying Report, National Restaurant Association, [7/15/20](#)]
- **National Restaurant Association’s Leadership Included A Golden Corral Executive.** [National Restaurant Association, Board Officers, Accessed [7/17/20](#)]
- **National Restaurant Association Had A “Fast Casual Industry Council” That Included Leaders From Chipotle, Fazoli’s, And Firehouse Subs.** [National Restaurant Association, Fast Casual Industry Council, Accessed [7/17/20](#)]

Mid-July: National Restaurant Association Formally Called For More Industry-Specific Government Aid, Which Mnuchin Voiced Support For Soon After.

Mid-July 2020: National Restaurant Association Called On Lawmakers To Implement Targeted Relief For The Restaurant Industry. “The National Restaurant Association projects 100,000 restaurants have been closed down over the past two weeks under state and local government mandates, as the advocacy group calls on Congress for targeted relief for the hard-hit industry.” [CNBC, [7/15/20](#)]

- **July 15, 2020: National Restaurant Association Sent A Letter To Congress Demanding Industry-Specific Aid.** “The trade group sent a letter to leaders in the House and Senate Wednesday, calling for specific aid for the nation’s restaurants, which are projected to lose \$240 billion in revenue this year due to the pandemic.” [CNBC, [7/15/20](#)]

July 17, 2020: During A Congressional Hearing, Mnuchin Called On Lawmakers To Extend PPP But “Targeted” Towards The Restaurant And Hospitality Industries “A next-phase relief should extend the PPP, but on a more targeted basis for smaller companies and those that are especially hard-hit, such as restaurants, hotels, and other travel and hospitality business.” [YouTube, House Small Business Committee, “Oversight of the Small Business Administration and Department of Treasury Pandemic Programs,” [YouTube, House Small Business Committee, “Oversight of the Small Business Administration and Department of Treasury Pandemic Programs,” [7/17/20](#)] (30:55-31:09)

Fast Food Chains With Employee Counts Well Above 500 Received PPP Funds

NOTE: Information in this section largely relies on data from the Treasury Department’s release of PPP data, which [has been criticized](#) as containing inaccuracies.

Sbarro LLC Pizzeria Chain, With Up To 5,000 Employees, Received \$5-\$10 Million

Sbarro LLC Reported 1,001-5,000 Employees On LinkedIn. [LinkedIn, Sbarro, Accessed [7/17/20](#)]

Sbarro Boasted Of “More Than 600 Locations In 26 Countries.” “Treat customers to the best-tasting XL NY pizza anywhere, and they’ll be back again and again. Sbarro franchisees prove it every day—at more than 600 locations in 26 countries.” [Sbarro, Accessed [7/17/20](#)]

April 9, 2020: Sbarro LLC Received \$5-\$10 Million In PPP Funding.

517933	d \$350,000-1 million	SBAR INC	MOORESTOWN	NJ	5/3/20
517934	a \$5-10 million	SBARRO LLC	COLUMBUS	OH	4/9/20
517935	d \$350,000-1 million	SBASE TECHNOLOGIES INC	IRVING	TX	4/29/20

[U.S. Small Business Administration, accessed [07/16/20](#)]

San Francisco Taco Bell Franchisee Company Received \$5-\$10 Million

October 2014: Golden Gate Bell Owned At Least 85 Taco Bell Locations Throughout California, Making It The State’s Largest Taco Bell Franchisee. “A Sonoma investment firm is purchasing an additional 13 Taco Bells, making it the largest franchise owner of the fast food restaurant chain in California. [...] Golden Gate Bell is an affiliate of A&C Ventures Inc. The latest deal follows its purchase of 72 Taco Bell restaurants in the Bay Area last month from Dolan Foster Enterprises.” [San Francisco Business Times, [10/17/14](#)]

April 6, 2020: Golden Gate Bell Received \$5-\$10 Million In PPP Funding.

409855	a \$5-10 million	GOLDEN GATE BELL, LLC	3225-A SO LAS VEGAS	NV	89146	722513	Limited	Unanswer	Unanswer	Unanswered	500	4/6/2020	Citizens B	NV - 01
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[U.S. Small Business Administration, accessed [07/16/20](#)]

Las Vegas McDonald’s Franchisee Company Received \$5-\$10 Million

September 2019: Las Vegas-Based WBF Management Owned 37 McDonald’s Restaurants In Nevada And Six In Arizona, With A Workforce Of Over 1,500 In Las Vegas Alone. “Brent Bohn, owner and operator of Las Vegas-based WBF Management, which owns 37 McDonald’s restaurants in Southern Nevada and six in Phoenix, said he was excited when he first heard about the new program. ‘When you have even more tools like this, it’s one more way we can attract and find people so we can continue to develop talent,’ Bohn said, who employs more than 1,500 throughout Las Vegas.” [Las Vegas Review Journal, [9/25/19](#)]

April 29, 2020: WBF Management Received \$5-\$10 Million In PPP Funding.

409874	a \$5-10 mi WBF MANAGEMENT LLC	1775 N Mc LAS VEGA NV	89106	722513 Limited Li	Unanswer	Unanswered	500	4/29/2020 Bank of Ar NV - 01
409875	a \$5-10 mi VI CONCRETE MASONRY LLC	1775 N Mc LAS VEGA NV	89115	722513 Limited Li	Unanswer	Unanswered	500	4/29/2020 Bank of Ar NV - 01

[U.S. Small Business Administration, accessed [7/16/20](#)]

A McDonald's Franchisee Company, Previously Involved In A Labor Dispute, Received \$5-\$10 Million

July 2015: Retzer Group Owned 47 McDonald's Franchises Across Arkansas, Mississippi, And Louisiana. "Retzer, who owns 47 McDonald's franchises in Arkansas, Mississippi and Louisiana, said after the hearing that Harris wasn't fired for rallying workers to unionize, but for going into the North Little Rock restaurant with a bullhorn and 'disrupting business,' as well as using profanity and a 'laundry list' of other activities." [Restaurant Business, [7/7/15](#)]

Owner Michael Retzer Allegedly Deleted Hours From Payroll Records And Forced Employees To Work Without Pay. "Jonathan Love, Sheri McWilliams, Tracy Keen, Jeremy Pope, and Robin Love worked in McDonald's restaurants owned and operated by Retzer L.L.C., Retzer Resources, Inc., The Retzer Group, Inc., and Michael L. Retzer (or 'McDonald's'). They brought suit against McDonald's on behalf of themselves and other similarly situated employees. Because McDonald's deleted hours from their payroll records, forced them work before they clocked in or after they clocked out, required them to attend unpaid training sessions, and automatically deducted thirty minutes per day from their recorded work time for meal breaks even when the employees were required to work through lunch." [Holleman & Associates PA, [2/5/14](#)]

April 7, 2020: The Retzer Group Inc. Received \$5-\$10 Million In PPP Funding.

72	a \$5-10 mi MBK MANAGEMENT CORPORATION	201 MAIN SAINT CH MO	65801	722513 Corporat	Unanswer	Male Own Non-Veteran	500	4/3/2020 Cass Comi MO - 02
73	a \$5-10 mi THE RETZER GROUP INC	1215 S MA GREENVIL MS	38701	722513 Subchapt	Unanswer	Unanswered	500	4/7/2020 Synovus B MS - 02
74	a \$5-10 mi BOUTIQUE WINC LLC	121 Glenn ARDEN NC	38704	722513 Subchapt	Unanswer	Unanswered Non-Veteran	500	4/13/2020 HomeTric NC - 10

[U.S. Small Business Administration, accessed [07/16/20](#)]

Franchise Company Wendy's Of Bowling Green, Inc. Received \$5-\$10 Million For A Workforce Of 1,000

Dun And Bradstreet: Wendy's Of Bowling Green Had 1,000 Total Employees Across Locations.

"Wendy's of Bowling Green, Inc. is located in Bowling Green, KY, United States and is part of the Fast-Food & Quick-Service Restaurants Industry. Wendy's of Bowling Green, Inc. has 1,000 total employees across all of its locations and generates \$54.88 million in sales (USD). There are 59 companies in the Wendy's of Bowling Green, Inc. corporate family." [Dun & Bradstreet, Wendy's Of Bowling Green, Inc., Accessed [7/16/20](#)]

April 5, 2020: Wendy's Of Bowling Green, Inc. Received \$5-\$10 Million In PPP Funding.

58	a \$5-10 mi RESTAURANT SUPPLY COMPANY, LLC	500 BRECKENRIDGE KY	42104	722513 Unaffili	Unanswer	Unanswered	500	4/5/2020 FISH MARKET - 03
59	a \$5-10 mi WENDY'S OF BOWLING GREEN, INC.	2501 Cross BOWLING KY	42104	722513 Subchapt	White	Male Own Non-Veteran	500	4/5/2020 Lake Fore KY - 01
60	a \$5-10 mi KEGAN BROS., INC.	1021 Cami LAFAYETTE LA	70508	722513 Corporat	White	Male Own Non-Veteran	500	4/6/2020 Home Bar LA - 03

[U.S. Small Business Administration, accessed [07/16/20](#)]

Through Subsidiaries, Fast Food Chain Good Times Restaurants Received Over \$11 Million In PPP Funding For Its 2,535 Person Workforce

Good Times Restaurants Operated Franchises In Colorado And Wyoming. "Good Times Restaurants Inc. opened its first restaurant in 1987 in Boulder, Colorado. The Company owns, operates, and franchises restaurants in Colorado and Wyoming." [Good Times Restaurants – "Company Info," accessed [7/16/20](#)]

May 7, 2020: Good Times Restaurants, Inc., Through Three Subsidiaries, Received An Aggregate \$11,645,000 In PPP Funding. "On May 7, 2020, Good Times Restaurants Inc., a Nevada corporation, and three of its wholly-owned subsidiaries, Bad Daddy's International, LLC, Good Times Drive-Thru Inc. and BD of Colorado, LLC (each a 'Borrower'), entered into unsecured loans in the aggregate principal amount of \$11,645,000 (the 'Loans') with Cadence Bank, N.A. (the 'Lender') pursuant to the Paycheck Protection Program (the 'PPP'), which is sponsored by the Small Business Administration (the 'SBA'). The PPP is part of the Coronavirus Aid, Relief and Economic Security Act (the 'CARES Act')." [SEC – Good Times Restaurants 8-K, [5/7/20](#)]

As Of September 2019, Good Times Restaurants Had 2,535 Employees. “At September 24, 2019, we had approximately 2,535 employees of which 2,212 are hourly employees and 323 are salaried employees working full time.” [SEC – Good Times Restaurants 10-K, [9/25/19](#)]

Ruth’s Chris Steakhouse Initially Took Advantage Of The Special Interest Provision - Before Returning Funds In The Wake Of Criticism

Ruth’s Hospitality Group, Owner Of Ruth’s Chris Steakhouse, Received \$20 Million From PPP Before Returning The Funds Following Outcry

Ruth’s Hospitality Group Was The Owner Of Ruth’s Chris Steak House, An International Franchise.

“Thank you for visiting the Ruth's Hospitality Group, Inc. (NASDAQ: RUTH) website. This is the place where you'll find the latest company news and overview of our business. Our portfolio of restaurants includes our legendary Ruth's Chris Steak House brand, which was founded in 1965 by Ruth Fertel. The Ruth's Chris Steak House legacy began when Ruth Fertel mortgaged her home for \$22,000 to purchase the ‘Chris Steak House,’ a 60-seat restaurant located in New Orleans, Louisiana. More than 40 years later, our success continues to be driven by our adherence to Ruth's core values, which are to deliver the highest quality food, beverages and service in a warm and inviting atmosphere. Today, there are more than 150 Ruth’s Chris Steak Houses, including 20 international franchisee-owned restaurants in Mexico, Hong Kong, Taiwan, Tokyo, Aruba, and Canada.” [Ruth’s Hospitality Group – “About,” accessed [7/16/20](#)]

April 7, 2020: Ruth’s Hospitality Group And A Subsidiary Received A Joint \$20,000,000 In Paycheck Protection Program Funding. “On April 7, 2020, two subsidiaries of Ruth's Hospitality Group, Inc. (the ‘Company’) entered into loan agreements (‘SBA Loans’) with JPMorgan Chase Bank, N.A. under the recently enacted Coronavirus Aid, Relief, and Economic Security Act (‘CARES Act’) administered by the U.S. Small Business Administration. The Company received total proceeds of \$20.0 million from the SBA Loans. In accordance with the requirements of the CARES Act, the Company will use proceeds from the SBA Loans primarily for payroll costs.” [SEC – Ruth’s Hospitality Group, Inc. 8-K, [4/13/20](#)]

April 23, 2020: Ruth’s Hospitality Group Returned \$20 Million In PPP Funds, Following Outcry. “Ruth’s Chris Steakhouse owner, Ruth’s Hospitality Group, announced Thursday that it is repaying \$20 million in coronavirus aid received under the Paycheck Protection Program after the Treasury Department asked publicly traded companies to return the funds meant for small businesses.” [Fox Business, [4/23/20](#)]

Numerous Entities Owning Multiple Restaurants, Including Profitable Entities Or Those With High Executive Compensation, Received PPP Funding

NOTE: Information in this section partially relies on data from the Treasury Department’s release of PPP data, which [has been criticized](#) as containing inaccuracies.

The Parent Company Of Chain Restaurant Famous Dave’s Entered Into A \$13 Million PPP Agreement Across Multiple Outlets, Despite The Restaurant’s Over 1,600 Person Workforce

BBQ Holdings, Inc. Was The Owner Of Chain Barbeque Restaurant Famous Dave’s Of America.

“Famous Dave's of America opened its first Famous Dave’s restaurant in Minneapolis in June 1995. Folks were kind enough to keep askin’ for more, so we now own, operate and franchise restaurants out of our Minnetonka, Minnesota headquarters all over the U.S.” [BBQ Holdings, Inc. – “Investor Relations,” accessed [7/16/20](#)]

April 29, 2020: Granite City, Inc. And Chain Restaurant Famous Dave’s, Entered Into Grants Under The Paycheck Protection Program Worth A Combined \$13,036,000. [Securities and Exchange Commission, Granite City, Inc., Form 8-K, EX-10.1, [4/29/20](#); Securities and Exchange Commission, BBQ Holdings, Inc., Form 8-K, EX-10.2, [4/29/20](#)]

- **Famous Dave's And Granite City Are Both Owned By BBQ Holdings, Inc.** “Minnesota-based restaurant chain BBQ Holdings, Inc., one of the state's top 60 publicly traded companies, will not return \$13 million in Paycheck Protection Program (PPP) loans that may be repaid by the U.S. Small Business Administration (SBA). The company received more than the \$10 million maximum PPP loan because Crivello said the SBA required it to apply with separate employer numbers of two wholly owned subsidiaries — one application for Famous Dave's and one for Granite City.” [Star Tribune, [05/04/20](#)]

2019: BBQ Holdings, Inc. Claimed 1,677 Employees. “As of December 29, 2019, we employed approximately 1,677 team members of which approximately 172 were salaried full-time employees. None of our team members are covered by a collective bargaining agreement.” [Securities and Exchange Commission, BBQ Holdings, Inc., Form 10-K, [3/27/20](#)]

BBQ Holdings, Inc. CEO Jeffrey Crivello Made Nearly \$1.3 Million In Compensation In 2019.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)(1)	Stock Awards (\$)(1)	Option Awards (\$)(1)(2)	Non-Equity Incentive Compensation Plan (\$)(1)	All Other Compensation (\$)(3)	Total (\$)
Jeffery Crivello Chief Executive Officer	2019	\$250,000	\$125,000	\$900,000(4)	—	—	\$1,524	\$1,276,524
	2018	\$250,000	—	\$ 70,000	—	—	\$ 96	\$ 320,096

[SEC – BBQ Holdings Inc. DEF 14A, [4/27/20](#)]

High-Revenue Ark Restaurants Corporation Received \$9.3 Million In PPP Funding, Despite Employing 2,145 People, Paying Executives Millions, And Engaging In Stock Buybacks,

May 1, 2020: Ark Restaurants Corporation Received \$9,390,532 In Paycheck Protection Program Funding. “During the week ended May 1, 2020, eight subsidiaries (the ‘Borrowers’) of Ark Restaurants Corp. (‘we’ or the ‘Company’) received loan proceeds from Cross River Bank (the ‘Lender’) in the aggregate amount of \$9,390,532 (the ‘PPP Loans’) under the Paycheck Protection Program (the ‘PPP’) of the Coronavirus Aid, Relief and Economic Security Act (the ‘CARES Act’), which was enacted March 27, 2020.” [SEC – Ark Restaurants Corporation 8-K, [5/5/20](#)]

Ark Restaurants Had 2,145 Employees Across Their Properties. “At November 30, 2019, we employed 2,145 persons (including employees at managed facilities), 1,328 of whom were full-time employees, and 817 of whom were part-time employees; 48 of whom were headquarters personnel, 141 of whom were restaurant management personnel, 1,298 of whom were kitchen personnel and 658 of whom were restaurant service personnel. A number of our restaurant service personnel are employed on a part-time basis.” [SEC – Ark Restaurants Corporation 10-K, [12/17/19](#)]

Ark Restaurants Owned New York City's Bryant Park Grill. [Ark Restaurants – “About,” accessed [5/6/20](#)]

USA Today, 2018: Bryant Park Grill And Café Ranked Number 9 On A Listing Of The Highest Grossing Restaurants In The US, With \$25.4 Million In Annual Sales. “9. Bryant Park Grill & Cafe Location: New York, NY Annual sales: \$25,400,000 Avg. check: \$50 (est.) Meals served annually: 420,000 In the early 1980s, Manhattan's centrally located Bryant Park, behind the New York Public Library's main branch, was an unkempt no-go landscape where dope dealers and other disreputable types plied their trades. Today, it is a major destination, hosting over a thousand free activities, classes, and events each year as well as a popular Winter Village of shops — and this beautifully situated restaurant, opened in 1995 in a latticed pavilion and environs.” [USA Today, [8/9/18](#)]

2019: Ark Restaurant Group Made A Profit Of \$2,676,000. [SEC – Ark Restaurants Group 10-K, [12/17/19](#)]

2019: Ark Restaurant Group Paid Its Executives Over \$2.2 Million In Compensation, Including Nearly \$1.15 Million To CEO Michael Weinstein Alone. [SEC – Ark Restaurant Group DEF 14A, [2/3/20](#)]

2019: Ark Restaurant Group Spent Over \$141,000 In Stock Buybacks. Per Ark Restaurant's 10-K filing, “During the year ended September 28, 2019, options to purchase 19,500 shares of common stock with a strike price of \$12.04 were exercised on a net issue basis as provided in the 2010 Plan. Accordingly, 11,774 shares were immediately repurchased and retired from treasury.” The repurchased share amount (11,774) was multiplied by the strike price (\$12.04) to make a figure of approximately \$141,758.96. [SEC – Ark Restaurants Corporation 10-K, [5/5/20](#)]

- **Harvard Business Review: Stock Buybacks “Make No Contribution To The Productive Capabilities Of The Firm,” Instead Serving To Enrich Senior Corporate Executives.** “Stock buybacks made as open-market repurchases make no contribution to the productive capabilities of the firm. Indeed, these distributions to shareholders, which generally come on top of dividends, disrupt the growth dynamic that links the productivity and pay of the labor force. [...] Why have U.S. companies done these massive buybacks? With the majority of their compensation coming from stock options and stock awards, senior corporate executives have used open-market repurchases to manipulate their companies' stock prices to their own benefit and that of others who are in the business of timing the buying and selling of publicly listed shares.” [Harvard Business Review, [1/7/20](#)]

The Restaurant And Spirits Company Flanigan's Enterprises Received \$13.1 Million In PPP Funding Despite Profitability And Dividend Payouts In 2019

May 2020: Flanigan's Enterprises, Through A Variety Of Subsidiaries And Franchises, Received \$13.1 Million In PPP Funding. “Since mid-May, 2020 and due to our receipt of loans from an unrelated third party lender pursuant to the Paycheck Protection Program (the ‘PPP’) under the Coronavirus Aid, Relief and Economic Security Act (the ‘CARES Act’) enacted March 27, 2020, we have reversed most cost cutting measures, including reinstating employees laid off at our restaurants in anticipation of resuming dine-in service and restoring corporate personnel salaries. [...] Subsequent to the end of the second quarter of our fiscal year 2020, we, as well as certain of the entities owning the limited partnership stores (the ‘LP’s’), franchised stores (the ‘Franchisees’) as well as the store we manage but do not own (the ‘Managed Store’) (collectively, the ‘Borrowers’), applied for and received loans from an unrelated third party lender (the ‘Lender’) pursuant to the Paycheck Protection Program (the ‘PPP’) under the Coronavirus Aid, Relief, and Economic Security Act (the ‘CARES Act’) enacted March 27, 2020, in the aggregate principal amount of approximately \$13.1 million (the ‘PPP Loans’), of which approximately: (i) \$5.9 million was loaned to us ; (ii) \$4.1 million was loaned to 8 of the LP’s ; (iii) \$2.6 million was loaned to 5 of the Franchisees; and (iv) \$0.5 million was loaned to the Managed Store.” [SEC – Flanigan's Enterprises 10-Q, [6/26/20](#)]

Flanigan's Enterprises, Inc. Mainly Operated A Family Restaurant Chain, Flanigan's Seafood Bar And Grill, Alongside Retail Liquor Stores. “Flanigan's Enterprises, Inc. is a beloved South Florida institution welcoming locals and visitors, alike, for over 50 years. Warm hospitality is at the heart of what we do, and our portfolio primarily focuses on a collection of family-run restaurants, Flanigan's Seafood Bar And Grill, and retail liquor stores, Big Daddy's Wine and Liquors.” [Flanigan's – “Investors,” accessed [7/16/20](#)]

Flanigan's Enterprises Claimed 1,870 Employees, Overwhelmingly Working In The Company's Restaurants. "As of our fiscal year end 2019, we employed 1,870 persons, of which 1,041 were full-time and 829 were part-time. Of these, 48 were employed at our corporate offices in administrative capacities and 13 were employed in maintenance. Of the remaining employees, 57 were employed in package liquor stores and 1,752 in restaurants." [SEC – Flanigan's Enterprises, Inc. 10-K, [12/20/19](#)]

In 2019, Flanigan's Enterprises Made Nearly \$5.4 Million In Profit And Paid Out \$520,000 In Dividends.

FLANIGAN'S ENTERPRISES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

Years Ended September 28, 2019 and September 29, 2018

(rounded to the nearest thousandth, except share and per share amounts)

Net Income	5,377,000
[...]	
Dividends paid	(520,000)

[SEC – Flanigan's Enterprises 10-K, [12/20/19](#)]

2019: Flanigan's Enterprises Executives Took Home Over \$3 Million In Compensation.

Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus(3)	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Non-Qualified Deferred Compensation Earnings	All Other Compensation (2)	Total (1)(4)
James G. Flanigan Chairman of the Board and Chief Executive Officer	2019	\$ 145,000	\$ 1,065,000	\$	\$	\$	\$	\$ 65,000	\$1,213,000
	2018	151,000	986,000					132,000	1,269,000
Jeffrey D. Kastner Chief Financial Officer, General Counsel and Secretary	2019	140,000	668,000	\$	\$	\$	\$	\$	\$ 808,000
	2018	145,000	595,000						740,000
August Bucci Chief Operating Officer and Executive Vice President	2019	140,000	668,000	\$	\$	\$	\$	\$	\$ 808,000
	2018	145,000	595,000						740,000
Christopher O'Neil Vice President of Package Operations	2019	239,000		\$	\$	\$	\$	\$	\$ 239,000
	2018	216,000							216,000

[SEC – Flanigan's Enterprises DEF 14A, [1/31/20](#)]

Urban Plates, LLC Received \$5-\$10 Million Across 19 Locations, Yet Saved Only 204 Jobs

Urban Plates Was A Restaurant With Fresh, Local Ingredients. "Urban Plates is like no other restaurant—not because we know something other restaurants don't, but because we're willing to do what they won't. We take the time to make everything from scratch in house every day. We spend more to source the finest sustainably sourced ingredients. We plan our menus around the seasons to ensure every dish is at its freshest, and stand behind every meal we serve." [Urban Plates – "About Us," accessed [7/20/20](#)]

Urban Plates Had At Least 19 Locations. [Urban Plates – “Locations,” accessed [7/16/20](#)]

April 9, 2020: Urban Plates, LLC Received \$5-\$10 Million In PPP Funding.

30	a \$5-10 mi TYP RESTAURANT GROUP, INC.	1201 W 5TH LOS ANGE CA	90017	722513 Corporat Unanswer Male Own Unanswerd	500	4/16/2020 Idaho First CA - 34
31	a \$5-10 mi URBAN PLATES, LLC	2053 SAN CARDIFF BCA	92007	722513 Limited U Unanswer Unanswer Unanswerd	204	4/9/2020 East West CA - 49
32	a \$5-10 mi W K S FRONSTY CORPORATION	5856 FORTY CYPRESS CA	90630	722513 Substant Unanswer Unanswer Unanswerd	500	4/5/2020 Lake Forest CA - 38

[U.S. Small Business Administration, accessed [07/16/20](#)]

Potbelly Corporation Received National Attention As A Firm Receiving PPP Funds Despite Being A Large Corporation – The Firm Returned The Loan Following Outcry, But Has Since Reapplied And Received \$10 Million

Potbelly Received Attention As A Large Restaurant That Received PPP Funds

April 10, 2020: Potbelly Sandwich Works, LLC, An Subsidiary Of Potbelly Corporation, Received A \$10 Million Paycheck Protection Program Loan, Which Stood To “Be Forgiven If [Funds] Are Used For Qualifying Expenses As Described In The CARES Act.” “On April 10, 2020, Potbelly Sandwich Works, LLC (the ‘Borrower’), an indirect subsidiary of Potbelly Corporation (the ‘Company’), was granted a loan (the ‘Loan’) from JPMorgan Chase Bank, N.A. in the aggregate amount of \$10,000,000, pursuant to the Paycheck Protection Program (the ‘PPP’) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. [...] Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.” [SEC EDGAR – Potbelly Corporation 8-K, [4/10/20](#)]

March 20, 2020: Potbelly Gave An Update On Market Conditions Under The COVID 19 Pandemic, Saying The Company Had Taken “Necessary Steps” To Deal With Market “Volatility.” “Potbelly Corporation (NASDAQ: PBPB), the iconic neighborhood sandwich shop, today provided an update on current business conditions in light of the COVID-19 pandemic. [...] As a precautionary measure, the Company also drew \$40 million of available capacity under its revolving credit facility. Proceeds from these borrowings are expected to be used for working capital, general corporate or other permitted purposes. ‘With the cash on our balance sheet, and the drawdown of our revolver,’ Johnson concluded, ‘we believe we have taken the necessary steps to deal with potential near-term volatility under the current market conditions.’” [Potbelly – Press Release, [3/20/20](#)]

Politico HEADLINE: “Big Restaurant Chains Get Small Business Aid, Sparking Backlash” [Politico, [4/15/20](#)]

Major Restaurant Chains Such As Potbelly Received PPP Loans, Threatening The Rapidly Dwindling Funds Of Congressional COVID Relief. “Major U.S. restaurant chains are starting to secure government-backed loans that Congress created to protect small businesses during the pandemic, fueling concerns that big corporations will siphon away rapidly dwindling funds. Potbelly Corp. — the nationwide sandwich shop operator — and Ruth’s Hospitality Group, which runs a chain of steakhouses, are among the large companies that have disclosed receiving the government-backed loans. Before the Covid-19 outbreak, they reported employing thousands of people.” [Politico, [4/15/20](#)]

Following Outcry, Potbelly Returned The Funds In April 2020...

April 25, 2020: Potbelly Returned A \$10 Million PPP Loan. “[Potbelly](#) said Saturday that it will return its \$10 million loan from the Paycheck Protection Program intended for small businesses, making it the latest notable name to return the funds.” [CNBC, [4/25/20](#)]

...But After Outcry Had Died Down, Potbelly Applied For And Received Another \$10 Million PPP Forgivable Loan The Day Before Applications Closed, Saying It Did Not Intend To Return It

Chicago Tribune HEADLINE: “Potbelly, Which Returned A \$10 Million PPP Loan In April, Just Got Another One. This Time It’s For Keeps.” [Chicago Tribune, [8/18/20](#)]

Potbelly Disclosed Receiving \$10 Million From The PPP In An SEC Filing. “Potbelly has secured another \$10 million Payroll Protection Program loan, and this time the Chicago-based sandwich chain plans to keep it. The company, which [returned a \\$10 million PPP loan](#) it received in April under public pressure, disclosed it obtained the new loan in a filing Friday with the Securities and Exchange Commission.” [Chicago Tribune, [8/18/20](#)]

Potbelly’s Forgivable PPP Loan Was Approved On August 7, The Day Before The Program Closed Applications. “Potbelly has secured another \$10 million Payroll Protection Program loan, and this time the Chicago-based sandwich chain plans to keep it. [...] The loan was approved Aug. 7 — one day before the extended PPP program expired — through Harvest Small Business Finance, a California-based nonbank lender.” [Chicago Tribune, [8/18/20](#)]

Potbelly Confirmed Their Intent To Keep The Loan Funds, Saying It Will Go To Our Dedicated Employees, To Preserving Jobs And To Keeping Shops Open. “Potbelly has secured another \$10 million Payroll Protection Program loan, and this time the Chicago-based sandwich chain plans to keep it. [...] ‘To protect our employees’ jobs, and support their families that rely on Potbelly for their livelihoods, we applied for and received a loan,’ the company said in its statement. ‘The funds will go to our dedicated employees, to preserving jobs and to keeping shops open.’” [Chicago Tribune, [8/18/20](#)]

Upscale Restaurant And Real Estate Firms Benefitted From The PPP

Section Summary: Entities such as Sotherly Hotels, an “upper-upscale” real estate investment trust that owned hotels and properties serving upper-scale customers, were beneficiaries of PPP funds. Sotherly included screenshots of its properties on their website.

Sotherly Hotels Was An “Upper-Upscale” Real Estate Investment Trust That Received \$10.7 Million In PPP Funding – And Announced Hotel Staff Layoffs Shortly After Receiving It

“Upper-Upscale” Real Estate Investment Trust Sotherly Hotels Received Over \$10.7 Million Under The Payroll Protection Program.

April 29, 2020: Sotherly Hotels Inc. Received \$10,719,125 In PPP Money. “As of April 29, 2020, MHI Hospitality TRS LLC (the ‘TRS LLC’), an indirect subsidiary of the Company, has entered into a promissory note with and received a PPP Loan from Fifth Third Bank, National Association and our Operating Partnership has entered into a promissory note with and received a PPP Loan from TowneBank. The TRS LLC loan application was based on payroll and certain other employee-related costs at all of our hotel properties other than the Hyatt Centric Arlington hotel, and the related TRS LLC loan is in the amount of \$9,432,900, all of which has been received by the TRS LLC. The Operating Partnership loan application was based on our corporate office payroll and certain other employee-related costs and that loan is in the amount of \$333,500, all of which has been received by the Operating Partnership. One of our other subsidiaries also submitted an application through Fifth Third Bank for a PPP Loan in the amount of \$952,725 in respect of the Hyatt Centric Arlington hotel payroll and certain other employee-related costs. We have not received an indication of whether

the Arlington hotel loan application will be approved and are not in a position to provide any guidance on whether any portion of the related loan amount will ultimately be available to us.” Breakdown:

ENTITY	PURPOSE	APPROVED?	GRANT AMOUNT
Sotherly Hotels Inc.	“Corporate office payroll and certain other employee-related costs”	Yes	\$333,500
MHI Hospitality TRS LLC	“Payroll and certain other employee-related costs at all of our hotel properties other than the Hyatt Centric Arlington hotel”	Yes	\$9,432,900
“One of our other subsidiaries”	“Hyatt Centric Arlington hotel payroll and certain other employee-related costs”	Pending	\$952,725
TOTAL			\$10,719,125

[Securities and Exchange Commission, Sotherly Hotels Inc., Form 8-K, [4/29/20](#)]

Sotherly Hotels Is A Real Estate Investment Trust Of “Primarily Upscale And Upper-Upscale Hotel Properties.” “Sotherly Hotels Inc. (the ‘Company’) is a self-managed and self-administered lodging real estate investment trust, or REIT, that was formed in August 2004 to own, acquire, renovate and reposition full-service, primarily upscale and upper-upscale hotel properties located in primary markets in the mid-Atlantic and southern United States.” [Securities and Exchange Commission, Sotherly Hotels Inc., Form 10-K, [3/16/20](#)]

- **2019: Sotherly’s Portfolio Consisted Of 12 “Full-Service, Primarily Upscale And Upper-Upscale Hotels,” With An “Aggregate Total Of 3,156 Rooms.”** “As of December 31, 2019, our portfolio consisted of twelve full-service, primarily upscale and upper-upscale hotels located in eight states with an aggregate total of 3,156 rooms, as well as interests in two condominium hotels and their associated rental programs.” [Securities and Exchange Commission, Sotherly Hotels Inc., Form 10-K, [3/16/20](#)]

2019: Sotherly Paid More In Executive Compensation Than It Made In Net Income.

2019: Sotherly Reported \$185,788,133 In Total Revenue And \$1,909,444 In Net Income. [Securities and Exchange Commission, Sotherly Hotels Inc., Form 10-K, [3/16/20](#)]

2019: Sotherly Paid Out \$1,974,384 In Executive Compensation. [Securities and Exchange Commission, Sotherly Hotels Inc., Form DEF 14A, [3/20/20](#)]

2019: Sotherly Claimed It Employed 13 People. “As of December 31, 2019, we employed thirteen full-time persons, all of whom work at our corporate office in Williamsburg, Virginia. All persons employed in the day-to-day operations of each of our hotels are employees of our third-party hotel managers engaged by our TRS Lessees to operate such hotels.” [Securities and Exchange Commission, Sotherly Hotels Inc., Form 10-K, [3/16/20](#)]

Several Of Sotherly Hotels’ Properties Were Luxury.

Sotherly Hotels Included Luxury Properties Across Primarily Southern States.

HOTEL	CITY	STATE
The Georgia Terrace	Atlanta	GA
The Whitehall	Houston	TX
The Desoto	Savannah	GA
Hyde Resort & Residences	South Florida	FL
Hotel Ballast	Wilmington	NC
Hotel Alba	Tampa	FL
Hyatt Centric Arlington	Arlington	VA
Doubletree Jacksonville Riverfront	Jacksonville	FL
Sheraton Louisville Riverside	Jeffersonville	IN
Doubletree Raleigh Brownstone	Raleigh	NC
Doubletree by Hilton Laurel	Laurel	MD
Doubletree Philadelphia Airport	Philadelphia	PA

[Sotherly Hotels, Accessed [4/20/20](#)]

Shortly After Receiving Over \$10 Million In PPP Relief, Sotherly Hotels Announced It Had Laid Off 90-Percent Of Its Hotel Staff.

April 29, 2020: Sotherly Hotels, Inc. Subsidiaries Received A Total Of \$10,719,125 In PPP Loans.

[Sotherly Hotels, Inc. Form 8-K, [04/29/20](#)]

May 1, 2020: Sotherly Hotels, Inc. Announced That It Had Laid Off Over 90% Of Its Hotel Staff. “Action steps include the closure of food and beverage outlets and other non-essential guest amenities in order to shrink the footprint of the properties; the downsizing of staffing levels and benefits, including the layoff of over 90% of hotel staff with reductions in salary for staff not subject to layoff; and the deferral of all non-vital capital expenditures.” [Sotherly Hotels, Inc. Press Release, [05/01/20](#)]

A.US ANALYSIS: Earnings Reports Revealed That The Trump Administration Continued Giving PPP Aid To Public Companies Despite Good Financial Standings And Payouts To Shareholders

SUMMARY: On April 3, 2020, the Small Business Administration (SBA) [announced the Paycheck Protection Program](#) (PPP), claiming it would “bring immediate economic relief and eight weeks of financial certainty to millions of small businesses and their employees.” And while the front-facing position of the Trump administration is that [public companies should return their PPP money](#), as they were likely to be in more financially stable positions, recent earning reports reveal that in addition to still allowing a large number of them to participate in the program, a number of the public recipients are now quietly touting healthy revenues, buybacks, and dividends to their shareholders. With some companies reporting millions raised in capital and some even making seven-figure acquisitions.

An **Accountable.US** analysis of the calls has revealed that:

At least two companies (that have taken a combined \$5M in PPP aid) have announced over \$9 million in shareholder dividends and \$200,000 in stock buybacks.

- **Advanced Emissions Solutions, Inc.** took \$3.3 million in PPP aid, while giving shareholders \$5 million.
- **Whitestone REIT** took over \$1.7 million in PPP aid, as it planned to pay shareholders almost \$4.5 million in dividends. This is especially notable, as the SBA does not typically lend to passive companies such as REITs. And as REITs are (by design) intended to give at least 90-percent of their taxable income shareholders, in the form of dividends.

There are at least seven companies that raised over \$314 million in capital around the time period in which they took over \$6.3 million in PPP loans.

At least 23 PPP recipients have used recent earnings calls to tout their good financial shape, with many reporting double-digit growth over comparable quarters in 2019. In total, these companies took over \$62 million in PPP.

These reports raise new and continued questions about the program’s flaws. And serves as [yet another example](#) of how the program is failing the small businesses that need its help.

Business Owner In Wall Street Journal, April 2020: The PPP Failed To Differentiate A Business’s Operations Level Via The “Economic Uncertainty” Standard, Opening Up The Program To Abuse From Profitable Companies

Wall Street Journal Column HEADLINE: “PPP Loan Terms Amount to Legalized Fraud” [Wall Street Journal – Pete Vegas, [4/20/20](#)]

Business Owner For Wall Street Journal: Healthy Companies Could Easily Exploit Aid Meant For Businesses That Had To Shut Down, As The PPP Failed To Differentiate“ Operating At Different Capacities. “I assume the loan was intended to help companies that are currently shut down or severely suffering remain in business and keep their employees on the payroll. But the program doesn’t differentiate between companies that are completely shut down and those operating at 50% or 100% capacity. That means profitable companies like mine, which may weather this storm regardless of the stimulus, have no incentive or obligation to pay back the money. No wording in the application explicitly prohibits such behavior.” The article

sub headline reads, "Healthy companies can easily exploit aid meant for those that had to shut down." [Wall Street Journal - Pete Vegas, [4/20/20](#)]

Business Owner For Wall Street Journal: The PPP Application's Line Pertaining To COVID-19 Effects Held True For His Business Being Impacted By "Economic Uncertainty" Despite His Company's Strong Financial Position. "In the PPP application, only one line pertains to the effects of Covid-19. In signing the application, I agreed to the statement: 'Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.' We're incurring additional expenses to protect against a potential shutdown, but for the moment my business is in a strong financial position." [Wall Street Journal - Pete Vegas, [4/20/20](#)]

Business Owner For Wall Street Journal: Once Government Officials Figure Out The Potential For Fraud In The PPP, "They Might Spend Years Tracking Down Fraudulent Uses Of The Funds." "This program creates—even encourages—conduct that would normally be considered fraud. Once government officials figure this out, they might spend years tracking down fraudulent uses of the funds (provided the loan agreement's loose wording doesn't make fraud impossible to prove)." [Wall Street Journal – Pete Vegas, [4/20/20](#)]

In Recent Earnings Calls, At Least Two Companies Have Reported Over \$9 Million In Dividends And \$200,000 Stock Buybacks Since Receiving Their PPP Loans

Summary Table:

NAME	MONEY RECEIVED	ACTION
Advanced Emissions Solutions, Inc.	\$3,300,000	Repurchased 20,613 Shares Of Common Stock For \$200,000 And Paid Out \$4.8 Million In Cash Dividends
Whitestone REIT	\$1,733,510	Planned to pay out nearly \$4.5M in Dividends

Advanced Emissions Solutions, Inc. Received \$3.3 Million In Forgivable PPP Money While Repurchasing 20,613 Shares Of Their Common Stock For \$200,000 And Paying Out \$4.8 Million In Cash Dividends.

Advanced Emissions Solutions, Inc. Received \$3.3 Million In Forgivable PPP Money

April 21, 2020: Advanced Emissions Solutions, Inc. Received \$3.3 Million In Forgivable PPP Money. "On April 20, 2020, the Company entered into a loan (the 'PPP Loan') under the PPP, evidenced by a promissory note, with BOK, NA dba Bank of Oklahoma ('BOK') providing for \$3.3 million in proceeds, which was funded to the Company on April 21, 2020. The PPP Loan matures April 21, 2022 and provides for 18 monthly payments of principal and interest commencing on November 21, 2020. [...] The PPP Loan principal may be forgiven subject to the terms of the PPP and approval by the SBA." [Advanced Emissions Solutions, Inc. Form 10-Q, [08/10/20](#)]

First Six Months Of 2020: Advanced Emissions Solutions, Inc Repurchased 20,613 Shares Of Their Common Stock For \$200,000 And Paid Out \$4.8 Million In Cash Dividends.

First Six Months Of 2020: Advanced Emissions Solutions, Inc. Repurchased 20,613 Shares Of Their Common Stock For \$200,000. "For the six months ended June 30, 2020, under the Stock Repurchase Program, we purchased 20,613 shares of our common stock for cash of \$0.2 million, inclusive of commissions and fees. For the six months ended June 30, 2019, under the Stock Repurchase Program, we purchased 248,591 shares of our common stock for cash of \$2.8 million, inclusive of commissions and fees. As of June

30, 2020, we had \$7.0 million remaining under the Stock Repurchase Program." [Advanced Emissions Solutions, Inc. Form 10-Q, [08/10/20](#)]

First Six Months Of 2020: Advanced Emissions Solutions, Inc. Paid \$4.8 Million In Cash Dividends. "For the six months ended June 30, 2020 and 2019, we declared and paid quarterly cash dividends to stockholders of \$4.8 million and \$9.2 million, respectively." [Advanced Emissions Solutions, Inc. Form 10-Q, [08/10/20](#)]

Whitestone REIT Received Over \$1.7 Million In Forgivable PPP Money—Despite The SBA Typically Not Lending To Passive Firms Such As REITS—While Planning To Pay Out Nearly \$4.5 Million In Required Dividends, Putting Into Question If Such Companies Should Have Been Eligible For PPP Loans In The First Place.

Whitestone REIT Received \$1,733,510 In Forgivable PPP Money.

April 30, 2020: Whitestone REIT Received \$1,733,510 In Forgivable PPP Money. "On April 30, 2020, we entered into a loan in the principal amount of \$1,733,510 from U.S. Bank National Association, one of the Company's existing lenders, pursuant to the Paycheck Protection Program (the 'PPP Loan') of the Coronavirus Aid, Relief, and Economic Security Act (the 'CARES Act'). [...] We intend to use all proceeds from the PPP Loan to retain employees and maintain payroll and make mortgage payments, lease payments and utility payments to support business continuity throughout the COVID-19 pandemic, which amounts are intended to be eligible for forgiveness, subject to the provisions of the CARES Act." [Whitestone REIT Form 10-Q, [08/07/20](#)]

In Q2 2020, Whitestone REIT Planned To Pay Out Nearly \$4.5 Million In Dividends.

In Q2 2020, Whitestone REIT Planned to Pay Out A Cash Dividend Of "\$0.105 Per Common Share" – A Total Of \$4,446,081.99. "On June 16, 2020, the Company declared a quarterly cash distribution of \$0.105 per common share and OP unit for the third quarter of 2020, to be paid in three equal installments of \$0.035 in July, August, and September of 2020. Going forward, Whitestone's Board of Trustees will continue to evaluate dividend declarations each quarter. Whitestone intends to maintain compliance with REIT taxable income distribution requirements." [Whitestone REIT Fiscal Second Quarter Earnings Results, [08/05/20](#)]

- **As of June 30, 2020, Whitestone REIT Had 42,343,638 Shares Issued And Outstanding.** "Common shares, \$0.001 par value per share; 400,000,000 shares authorized; 42,343,638 and 41,492,117 issued and outstanding as of June 30, 2020 and December 31, 2019, respectively." [Whitestone REIT Fiscal Second Quarter Earnings Results, [08/05/20](#)]
- **42,343,638 Multiplied by \$0.105 is \$4,446,081.99** [Google Query, accessed [08/11/20](#)]

REITs Are Required To Pay Out At Least 90% Of Its Taxable Income As Dividends, Which Puts Into Question If They Should Have Been Eligible For PPP Loans From The Beginning.

REITs Are Required To Pay "At Least 90 Percent Of Its Taxable Income To Shareholders Annually In The Form Of Dividends." "To qualify as a REIT, a company must have the bulk of its assets and income connected to real estate investment and must distribute at least 90 percent of its taxable income to shareholders annually in the form of dividends." [Securities and Exchange Commission, [December 2011](#)]

As REITs Are Allowed To Deduct Paid Dividends From Their Corporate Taxable Income, "Most REITs Pay Out At Least 100 Percent Of Their Taxable Income To Their Shareholders" In Order To Have No Corporate Tax Liability. "A company that qualifies as a REIT is allowed to deduct from its corporate taxable income all of the dividends that it pays out to its shareholders. Because of this special tax treatment, most REITs pay out at least 100 percent of their taxable income to their shareholders and, therefore, owe no corporate tax." [Securities and Exchange Commission, [December 2011](#)]

The Small Business Administration Typically Doesn't Loan To Passive Companies, Such As REITS.

The Small Business Administration Does Not Regularly Loan Money To “Passive Companies,” Such As REITs That Profit From Rental Property. “Moreover, the Small Business Administration typically doesn't loan money to ‘passive companies,’ or businesses that make money from rental property (as REITs do) or other investments instead of selling a product or service. The SBA, however, makes a narrow exception for certain passive companies that lease to eligible small businesses.” [ABC News, [04/29/20](#)]

- **Lobbying Groups Pushed The Treasury Department And SBA To Confirm That REITs Were Eligible For PPP Aid.** “In the case of the PPP, lobbying groups have pushed the Treasury Department and the SBA to confirm that REITs are eligible for the loans, but the uncertainty has opened the door for both the trusts and their holdings to apply. And, unlike other outlets for assistance established by the CARES Act, PPP funding comes with fewer strings attached.” [ABC News, [04/29/20](#)]

In Recent Earnings Calls, At Least 7 Companies Reported Getting Over \$6.3 Million Total In PPP Money, Despite Raising Over \$314 Million in Capital.

Summary Table:

NAME	PPP \$ RECEIVED	MONEY RAISED
CASI Pharmaceuticals, Inc.	\$465,595	Raised \$43.7 Million from public offering
Altimune, Inc.	\$632,000	Raised Nearly \$200 Million in Funds
electroCore, Inc.	\$1,409,300	Raised Approximated \$10.3 Million While Q2 2020 net sales increased 20.3% Over Q2 2019
Super League Gaming, Inc.	\$1,200,047	Raised \$6 Million In Capital And Increased Q2 2020 Revenues 45% Over Q2 2019
Armata Pharmaceuticals, Inc.	\$717,000	Received A \$15 Million Award From The DOD To Develop An Anti-Bacterial Drug
Outlook Therapeutics, Inc.	\$904,200	Raised Over \$27 Million From Common Stock Offerings
Tenax Therapeutics, Inc.	\$244,657	Raised Approximately \$7.2 Million In Capital
Reed's, Inc.	\$770,000	Raised Over \$5 Million In A Common Stock Public Offering And Saw Its Net Sales Increase 14% In Q2 2020 Over Q2 2019

CASI Pharmaceuticals, Inc. Received Over \$465,000 In Forgivable PPP Money And Then Raised \$43.7 Million From A Stock Public Offering.

CASI Pharmaceuticals, Inc. Received \$465,595 In Forgivable PPP Money.

April 27, 2020: CASI Pharmaceuticals, Inc. Received \$465,595 In Forgivable PPP Money. "On April 27, 2020, M&T Bank approved a \$465,595 loan to the Company under the Paycheck Protection Program (PPP) pursuant to the Coronavirus Aid, Relief and Economic Security (CARES) Act that was signed into law on March 27, 2020. The loan, evidenced by a promissory note to M&T Bank as lender and dated April 29, 2020, has a term of two years, is unsecured, and is guaranteed by the Small Business Administration (SBA). [...] Some or all of the loan may be forgiven if the Company complies with certain relevant conditions." [CASI Pharmaceuticals, Inc. Form 10-Q, [08/10/20](#)]

CASI Pharmaceuticals, Inc. Recently Raised \$43.7 Million From A Public Offering.

August 10, 2020: CASI Pharmaceuticals, Inc. Announced A “Recent Closing Of An Underwritten Public Offering For Gross Proceeds Of \$43.7 Million.” "And finally, we were pleased to report our recent closing of

an underwritten public offering for gross proceeds of \$43.7 million. This successful financing attracted a number of new, fundamentally-driven, long-term oriented, healthcare-dedicated investors to the CASI story, as well as continued investment by our management. We look forward to continuing to expand our U.S. investor base, and importantly, positioning CASI to accelerate long-term value creation for our shareholders." [Barron's, [8/10/20](#)]

Altimune, Inc. Received Over \$630,000 In Forgivable PPP Money While Raising Nearly \$200 Million In Funds And Receiving A \$4.5 Million Award For A Trial Of An Early COVID-19 Treatment.

Altimune, Inc. Received \$632,000 In Forgivable PPP Money.

April 13, 2020: Altimune, Inc. Received \$632,000 In Forgivable PPP Money. "On April 7, 2020, the Company applied for a loan from ServisFirst Bank, as lender, pursuant to the Paycheck Protection Program of the Coronavirus Aid, Relief, and Economic Security Act (the 'CARES Act') as administered by the U.S. Small Business Administration (the 'SBA'). On April 13, 2020, the Loan was approved and the Company received the proceeds from a loan in the amount of \$632,000 (the 'PPP Loan')." [Altimune, Inc. Form 10-Q, [08/11/20](#)]

Q2 2020: Altimune, Inc. Received Nearly \$200 Million From A Public Offering, Warrant Exercises And ATM Sales.

In The Quarter Ending June 30, 2020, Altimune, Inc. Raised "Received \$132.2 Million In Gross Proceeds From A Public Offering Of Common Stock And Pre-Funded Warrants, \$40.9 Million From Warrant Exercises And \$26.3 Million In Gross Proceeds From ATM Sales." "Since the first quarter, the Company has received \$132.2 million in gross proceeds from a public offering of common stock and pre-funded warrants, \$40.9 million from warrant exercises and \$26.3 million in gross proceeds from ATM sales." [Altimune, Inc. Fiscal Second Quarter Earnings Results, [08/11/20](#)]

Altimune, Inc Received \$4.5 Million Award From The Department Of Defense To Fund A Trial Of An "Investigational Therapeutic Agent For The Treatment Of Early COVID-19."

Altimune, Inc. Received A \$4.5 Million Competitive Award From The Department Of Defense And The U.S. Army Medical Research & Development Command To Fund A Trial Of An "Investigational Therapeutic Agent For The Treatment Of Early COVID-19." "The U.S. Food and Drug Administration (FDA) authorized the Company to proceed with a Phase 1/2 clinical trial of T-COVID, an investigational therapeutic agent for the treatment of early COVID-19. The EPIC Trial (Efficacy and Safety of T-COVID in the Prevention of Clinical Worsening in COVID-19) is being funded through a \$4.7 million competitive award from the U.S. Army Medical Research & Development Command (USAMRDC) and Department of Defense (DoD) working in collaboration with the Medical Technology Enterprise Consortium (MTEC), a 501(c)(3) biomedical technology consortium." [Altimune, Inc. Fiscal Second Quarter Earnings Results, [08/11/20](#)]

electroCore, Inc. Received Nearly \$1.5 Million In Forgivable PPP Money While Its Net Sales For Q2 2020 Increased 20.3% Over Q2 2019 And It Raised \$10.3 Million From Lincoln Park Capital.

electroCore, Inc. Received \$1,409,300 In Forgivable PPP Money.

May 4, 2020: electroCore, Inc. Received \$1,409,300 In Forgivable PPP Money. "On May 4, 2020, the Company received proceeds of \$1,409,300 in connection with a promissory note, or the Note, entered into with Citibank, N.A., evidencing an unsecured loan, or the Loan, under the Paycheck Protection Program, or the PPP. The PPP is a program of the U.S. Small Business Administration, or the SBA, established under the Coronavirus Aid, Relief, and Economic Security Act (the 'CARES Act'). [electroCore, Inc. Form 10-Q, [05/15/20](#)]

Q2 2020: electroCore, Inc. Increased Its Net Sales 20.9% Over Q2 2019 And Raised Approximately \$10.3 Million From The "Partial Draw Down Of The Agreement With Lincoln Park Capital."

In The Second Quarter Ending June 30, 2020, electroCore, Inc. Increased Its Net Sales To \$753,000 Over \$623,000 In The Same Period Of 2019. "electroCore, Inc. (Nasdaq: ECOR), a commercial-stage bioelectronic medicine company, today announced second quarter 2020 financial results and provided an operational update. [...] For the quarter ended June 30, 2020, electroCore reported net sales of \$753,000 compared to \$623,000 in the same period of 2019, and slightly above the guidance range of \$700,000 to \$750,000 provided by management on July 14, 2020." [electroCore, Inc. Fiscal Second Quarter Earnings Results, [08/13/20](#)]

- **\$623,000 To \$753,000 Represents A 20.9% Increase.** [OmniCalculator, accessed [08/14/20](#)]

Q2 2020: electroCore, Inc. "Raised Approximately \$10.3 Million Through A Partial Draw Down Of The Agreement With Lincoln Park Capital." "Subsequent to the end of the second quarter of 2020, the company raised approximately \$10.3 million through a partial draw down of the agreement with Lincoln Park Capital, resulting in a pro forma cash and cash equivalents and marketable securities balance of \$29.2 million as of June 30, 2020." [electroCore, Inc. Fiscal Second Quarter Earnings Results, [08/13/20](#)]

Super League Gaming, Inc. Received Over \$1.2 Million In Forgivable PPP Money While Raising \$6 Million In Capital And Increasing Q2 2020 Revenues 45% Over Q2 2019.

Super League Gaming, Inc. Received \$1,200,047 In Forgivable PPP Money.

May 4, 2020: Super League Gaming, Inc. Received \$1,200,047 In Forgivable PPP Money.

"On May 4, 2020, the Company entered into a potentially forgivable loan from the SBA resulting in net proceeds of \$1,200,047 pursuant to the Paycheck Protection Program ('PPP') enacted by Congress under the CARES Act administered by the SBA (the 'PPP Loan'). To facilitate the PPP Loan, the Company entered into a Note Payable Agreement with South Porte Bank as the lender (the 'Lender') (the 'PPP Loan Agreement')." [Super League Gaming, Inc. Form 10-Q, [08/12/20](#)]

Super League Gaming, Inc.'s Q2 2020 Revenue Increased 45% Over Q2 2019.

In The Second Quarter Of 2020, Super League Gaming, Inc. Increased Its Revenue "45% To \$324,000, From \$223,000 In The Comparable Prior Year Quarter." "Revenues in the second quarter of 2020 increased 45% to \$324,000, from \$223,000 in the comparable prior year quarter. The increase was primarily driven by a significant increase in advertising and content sales revenues relative to the comparable prior year quarter, reflecting our continued focus on the acceleration of the monetization of our increasing advertising inventory and amateur gameplay content." [Super League Gaming, Inc. Fiscal Second Quarter Earnings Results, [08/11/20](#)]

In May 2020, Super League Gaming, Inc. Raised Approximately \$6 Million From The Sale Of Common Stock.

May 15, 2020: Super League Gaming, Inc. Received Approximately \$6 Million From The Sale Of 1.85 Million Shares Of Common Stock. "At June 30, 2020, the Company's cash position totaled \$6.2 million compared to \$8.4 million at December 31, 2019, including approximately \$6.0 million in net proceeds from the sale of 1.85 million shares of common stock at \$3.50 per share, pursuant to a registered direct offering that closed on May 15, 2020." [Super League Gaming, Inc. Fiscal Second Quarter Earnings Results, [08/11/20](#)]

Armata Pharmaceuticals, Inc. Received \$717,000 In Forgivable PPP Money, Then Received A \$15 Million Award From The U.S. Department Of Defense To Develop An Anti-Bacterial Drug.

Armata Pharmaceuticals, Inc. Received \$717,000 In Forgivable PPP Money.

April 2020: Armata Pharmaceuticals, Inc. Received \$717,000 In Forgivable PPP Money.

"In April 2020, the Company received loan proceeds of \$717,000 ('PPP Loan') under the Paycheck Protection Program ('PPP'). [...] The Company will submit its application for loan forgiveness in the third quarter of 2020 and anticipates that the loan will be forgiven based on the current guidelines. The Company cannot provide any assurance that it will be eligible for loan forgiveness or that any amount of the PPP loan will ultimately be forgiven." [Armata Pharmaceuticals, Inc. Form 10-Q, [08/13/20](#)]

In Q2 2020, Armata Pharmaceuticals, Inc. Received A \$15 Million Award From The U.S. Department Of Defense To Advance The Development Of An Anti-Bacterial Drug.

Q2 2020: Armata Pharmaceuticals, Inc. Received A \$15 Million Award From The U.S. Department Of Defense To "Advance Development Of AP-SA02 In S. Aureus Bacteremia Infections." "During the quarter, the Company announced a \$15 million award from the U.S. Department of Defense, through the Medical Technology Enterprise Consortium (MTEC) with funding from the Defense Health Agency and Joint Warfighter Medical Research Program, for a three-year program to advance development of AP-SA02 in S. aureus bacteremia infections." [Armata Pharmaceuticals, Inc. Fiscal Second Quarter Earnings Results, [08/13/20](#)]

Outlook Therapeutics, Inc. Received \$904,200 In Forgivable PPP Money While Raising Over \$27 Million From Common Stock Offerings.

Outlook Therapeutics, Inc. Received \$904,200 In Forgivable PPP Money.

May 4, 2020: Outlook Therapeutics, Inc. Received \$904,200 In Forgivable PPP Money. "On May 4, 2020, the Company received \$904,200 in proceeds from a loan granted pursuant to the PPP of the CARES Act. The PPP term loan is evidenced by a promissory note containing the terms and conditions for repayment of the PPP term loan." [Outlook Therapeutics, Inc. Form 10-Q, [08/14/20](#)]

Outlook Therapeutics, Inc. Raised Over \$27 Million From Offering Common Stock In Two Separate Transactions.

Outlook Therapeutics, Inc. Raised \$11.2 Million From A Registered Direct Offering Of Common Stock. "Closed a registered direct offering and a private placement, each priced at-the-market under Nasdaq rules, for aggregate gross proceeds of approximately \$11.2 million;" [Outlook Therapeutics, Inc. Fiscal Second Quarter Earnings Results, [08/14/20](#)]

Outlook Therapeutics, Inc. Raised \$16 Million From The Closing Of A Private Common Stock Placement With "Syntone Ventures LLC, A U.S.-Based Affiliate Of Syntone Technologies Group Co. Ltd." "Closed a private placement of \$16.0 million of common stock at a price per share representing a 34% premium at signing to Syntone Ventures LLC, a U.S.-based affiliate of Syntone Technologies Group Co. Ltd.;" [Outlook Therapeutics, Inc. Fiscal Second Quarter Earnings Results, [08/14/20](#)]

Tenax Therapeutics, Inc. Received \$244,657 In Forgivable PPP Money While Raising Approximately \$7.2 Million In Capital.

Tenax Therapeutics, Inc. Received \$244,657 In Forgivable PPP Money.

April 30, 2020: Tenax Therapeutics, Inc. Received \$244,657 In Forgivable PPP Money. "On April 30, 2020, the Company received a loan pursuant to the Paycheck Protection Program (the 'PPP Loan') under the Coronavirus Aid, Relief, and Economic Security Act (the 'CARES Act'), as administered by the U.S. Small Business Administration. The PPP Loan in the principal amount of \$244,657 was disbursed by First Horizon Bank (the 'Lender') pursuant to a promissory note issued by us (the 'Note'). [Tenax Therapeutics, Inc. Form 10-Q, [08/14/20](#)]

Tenax Therapeutics, Inc. Raised Approximately \$7.2 Million In Capital From The Exercise Of Outstanding Warrants And A Securities Purchase Agreement.

June 2020: Tenax Therapeutics, Inc. Received Approximately \$1.7 Million From The "Exercise Of Previously Outstanding Warrants." "In June 2020, Tenax received approximately \$1.7 million and issued 877,203 shares of common stock upon the exercise of previously outstanding warrants." [Tenax Therapeutics, Inc. Fiscal Second Quarter Earnings Results, [08/17/20](#)]

July 6, 2020: Tenax Therapeutics, Inc. Received Approximately \$6.5 Million In Net Proceeds From Securities Purchase Agreements. "On July 6, 2020, the Company entered into a Securities Purchase Agreement for Class C and Class D Units (the 'RDO Purchase Agreement') and a Securities Purchase Agreement for Class E and Class F Units (the 'PIPE Purchase Agreement' and, together with the RDO Purchase Agreement, the 'Purchase Agreements') with the Investor [...] The aggregate net proceeds to the Company of the Offerings was approximately \$6.5 million." [Tenax Therapeutics, Inc. Fiscal Second Quarter Earnings Results, [08/17/20](#)]

Reed's, Inc. Received \$770,000 In Forgivable PPP Money While It Raised Over \$5 Million In A Common Stock Public Offering And Saw Its Net Sales Increase 14% In Q2 2020 Over Q2 2019 To \$10.9 Million.

Reed's, Inc. Received \$770,000 In Forgivable PPP Money.

April 20, 2020: Reed's, Inc. Received \$770,000 In Forgivable PPP Money. "On April 20, 2020, the Company was granted a loan (the 'PPP loan') from City National Bank in the aggregate amount of \$770, pursuant to the Paycheck Protection Program (the 'PPP') under the CARES Act." [Reed's, Inc. Form 10-Q, [08/10/20](#)]

In April 2020, Reed's, Inc. Raised \$5,310,000 A Public Offering Of Its Common Stock

April 2020: Reed's, Inc. Raised \$5,310,000 A Public Offering Of Its Common Stock. "In April 2020, the Company conducted a public offering of 15,333,334 shares of its common stock at \$0.375 per share, resulting in net proceeds to the Company of \$5,310." [Reed's, Inc. Form 10-Q, [08/10/20](#)]

Reed's, Inc.'s Net Sales For Q2 2020 Increased 14% Over Q2 2019 To \$10.9 Million.

Reed's, Inc.'s Net Sales For The Second Quarter Ending June 30, 2020 Increased 14% To \$10.9 Million Compared To \$9.5 Million In The Same Period Of 2019. "Reed's Inc. (Nasdaq:REED), owner of the nation's leading portfolio of handcrafted, all-natural beverages, today announced financial results for the fiscal second quarter ended June 30, 2020. [...] Net sales increased 14% to \$10.9 million in the second quarter compared to \$9.5 million in the prior year. The increase compared to the prior year reflects increased sales of both the

Reed's® and Virgil's® brands, including impact from recent launches of new product innovation." [Reed's, Inc Fiscal Second Quarter Earnings Results, [08/10/20](#)]

In Recent Earnings Calls, At Least 23 Companies Reported Positive Quarterly Earnings, After Getting Over \$61 Million Total In PPP Money.

Summary Table:

NAME	PPP \$ RECEIVED	POSITIVE EARNINGS
<u>Alimera Sciences, Inc.</u>	\$1.8 Million	Q2 2020 Revenue Only Declined 2% Over Q2 2019 And Revenue For The First 6 Months Of 2020 Was Only 3.5% Less Than The Same Period Of 2019
<u>Clearfield, Inc.</u>	\$3.7 Million	Q3 2020 Gross Profits Increased 28% Over Q3 2019
<u>Altigen Communications, Inc.</u>	\$804,000	Revenue For First 9 Months Of FY2020 Increased 10% Over Same Period Of FY2019
<u>Alpine 4 Technologies, Ltd.</u>	\$3,761,866	Q2 2020 Revenue Increased 36% Over Q2 2019
<u>ENGlobal Corporation</u>	\$4,915,800	Q2 2020 Revenue Increased 31% Over Q2 2019
<u>Durect Corporation</u>	\$2,037,395	Q2 2020 Net Income Increased 298% Over Q2 2019
<u>Kopin Corporation</u>	\$2.1 Million	Q2 2020 Revenue Increased 50% Over Q2 2019
<u>AutoWeb, Inc.</u>	\$1.38 Million	Q2 2020 Gross Profits Increased 11% Over Q2 2019
<u>PolarityTe, Inc.</u> Subsidiary	\$3,576,145	Q2 2020 Revenue Increased 70.6% Over Q2 2019 Including \$710K In Revenue From "Covid-19 Testing Services."
<u>LiveXLive Media, Inc.</u>	\$2 Million	Saw "Record Revenue" In Q1 2021 As It Was "Uniquely Positioned To Benefit From The Abrupt Stop Of Live Music And Entertainment Due To COVID-19."
<u>Applied Optoelectronics, Inc.</u>	\$6.23 Million	Q2 2020 Revenue Increased \$22 Million – Or 50.2% – Over Q2 2019
<u>EMCORE Corporation</u>	\$6.5 Million	Q3 2020 Revenue Increased 58.3% Over Q3 2019
<u>Calyxt, Inc.</u>	\$1.5 Million	Revenue For First Six Months Of 2020 Increased 728% Over Same Period Of 2019
<u>NovaBay Pharmaceuticals, Inc.</u>	\$901,000	Q2 2020 Net Product Revenue Increased 122% Over Q2 2019
<u>Nature's Sunshine Products, Inc.</u>	\$5.4 Million	Q2 2020 Net Sales Only Decreased 3.8% Over Q2 2019
<u>ReWalk Robotics Ltd.</u>	\$392,000	Q2 2020 Revenue Increased 88.8% Over Q2 2019
<u>Crexendo, Inc.</u>	\$1,000,626	Q2 2020 Revenue Increased 50% Over Q2 2019
<u>FlexShopper</u>	\$1,914,100	Q2 2020 Gross Profits Increased 25.8% Over Q2 2019
<u>Vuzix Corporation</u>	\$1,555,900	Q2 Revenue Increased 39% over Q2 2019
<u>Document Security Systems, Inc.</u>	\$963,000	Acquired Company For As Much As \$50 Million
<u>AudioEye, Inc.</u>	\$1,302,000	Had Its "First-Ever \$5M Revenue Quarter," With A 117% Revenue Increase Over The Same Period Of 2019
<u>Bioanalytical Systems, Inc.</u>	\$5,051,282	Increased Its Total Revenue 55% And Gross Profits Nearly 70% For The Nine Months Ending June 30, 2020 Over The Same Period Of 2019
<u>Oblong, Inc.</u>	\$2,417,000	Increased Its Q2 2020 Revenue By \$400,000 Over Q2 2019

Alimera Sciences, Inc. Received \$1.8 Million In PPP Money While Its Net Revenue For The Year Increased Over The Same 6-Month Period Of 2019.

April 22, 2020: Alimera Sciences Received \$1.8 Million In Forgivable PPP Money. "Alimera Sciences, Inc. (Nasdaq: ALIM) (Alimera), a global pharmaceutical company that specializes in the commercialization and development of prescription ophthalmic pharmaceuticals for the treatment of retinal diseases, today announces

it received on April 22, 2020 approximately \$1.8 million in support from the federal government under the Paycheck Protection Program (PPP)." [Alimera Sciences Press Release, [04/23/20](#)]

Alimera Sciences, Inc.'s Net Revenue Ticked Up Despite COVID-19.

Alimera Sciences' Net Revenue Reported \$24,573,000 In Net Revenue For The First Six Months Of 2020 Compared To \$23,745,000 For The Same Period Of 2019 – A 3.5% Increase. [Alimera Sciences, Inc. Q2 2020 Earnings Results, [07/29/20](#)]

- **"Consolidated Net Revenue For Q2 2020 Was Down 8% To \$10.0 Million, Compared To \$10.9 Million For Q2 2019."** [Alimera Sciences, Inc. Q2 2020 Earnings Results, [07/29/20](#)]

Clearfield Inc. Received \$3.7 Million In PPP Money While Seeing Revenue Increase 19% To \$26 Million Due To "Increased Sales Volume"; The Company Also Increasing Its Gross Profits 28% To \$10.8 Million.

April 11, 2020: Clearfield Inc. Received \$3.7 Million In PPP Money. On April 11, 2020, the Company received a \$3.7 million loan under the Payroll Protection Program (PPP) within the Coronavirus Aid Relief and Economic Security (CARES) Act. The Company carefully reviewed the economic impact and uncertainty caused by COVID-19 and the necessity of the PPP loan request to support the Company's ongoing operations and believes that the Company made the required certifications for the PPP loan in good faith under the standards established by the CARES Act and the PPP regulations at the time of the Company's loan application and the receipt of the loan." [Clearfield, Inc. Form 10-Q, [05/01/20](#)]

Due To "Increased Sales Volume," Clearfield Inc.'s Revenue Increased 19% For The Quarter Ending June 30, 2020, Over The Same Period 2019, With Gross Profits Increasing 28% To \$10.8 Million.

Clearfield Inc.'s Revenue For The Fiscal Quarter Ending June 30, 2020, Increased "19% To \$26.0 Million From \$21.9 Million In The Same Year-Ago Quarter." "Revenues for the third quarter of fiscal 2020 increased 19% to \$26.0 million from \$21.9 million in the same year-ago quarter. The increase in revenues was primarily due to higher sales in the Company's Community Broadband, National Carrier and MSO markets, partially offset by lower sales in the Company's international market." [Clearfield Fiscal Third Quarter Earnings Results, [07/23/20](#)]

Due To "Increased Sales Volume," Clearfield Inc. Reported Gross Profits For The Fiscal Quarter Ending June 30, 2020, "Increased 28% To \$10.8 Million, Or 41.5% Of Revenue, From \$8.4 Million, Or 38.4% Of Revenue, In The Fiscal Third Quarter Of 2019." "Gross profit increased 28% to \$10.8 million, or 41.5% of revenue, from \$8.4 million, or 38.4% of revenue, in the fiscal third quarter of 2019. The increase in gross profit dollars was due to increased sales volume. The increase in gross profit percent was due to a favorable product mix and cost reduction efforts across the Company's product lines, including greater use of its Mexico manufacturing plant and efficiencies realized from supply chain programs." [Clearfield Fiscal Third Quarter Earnings Results, [07/23/20](#)]

For The Nine Month Period Ending, June 30, 2020, Clearfield, Inc. Saw Gross Profits Increase 14% Over The Same Period Of 2019 To \$26.7 Million.

For The Nine Months Ending June 30, 2020, Clearfield, Inc. Saw Gross Profits "Increase [...] 14% From \$23.4 Million, Or 38.3% Of Revenue, During The Same Period In Fiscal 2019" To \$26.7 Million. "Gross profit was \$26.7 million, or 40.6% of revenue, for the nine months ended June 30, 2020, an increase of 14% from \$23.4 million, or 38.3% of revenue, during the same period in fiscal 2019. The increase in gross profit dollars was due to increased sales volume." [Clearfield Fiscal Third Quarter Earnings Results, [07/23/20](#)]

Altigen Communications Inc., Which Has Paid \$1.3M In Legal Fees Since January 2020, Received \$804,000 In PPP Money While Its Total Revenue For The Nine Months Of Fiscal Year 2020 Increased 10% Over The Same Period Of 2019 To \$8.8 Million.

May 14, 2020: Altigen Communications Received \$804,000 In PPP Money With Intentions To Apply For Loan Forgiveness. "Under the Small Business Administration's ('SBA') Paycheck Protection Program ('PPP') enacted as part of the Coronavirus Aid, Relief and Economic Security Act, the Company was granted a PPP loan in the aggregate amount of \$804,000 on May 14, 2020. The Company intends to maximize the use of PPP Loan proceeds for qualifying expenses and intends to apply for forgiveness of the PPP Loan in accordance with the terms of the CARES Act." [Altigen Communications Fiscal Third Quarter Earnings Results, [07/23/20](#)]

Altigen Communications' Revenue Increased 14% In The Third Quarter Ending June 30, 2020, Over Q3 2019, With Revenues For The First Nine Months Of The Fiscal Year 2020 Increasing 10% Over The Same Period Of 2019 To \$8.8 Million.

Altigen Communications' Revenues For The Third Quarter Ending June 30, 2020, Were \$3 Million, A 14% Increase From Year-Over-Year. "Third Quarter Financial Highlights [...] Revenue of \$3.0 million, up 14% Year-Over-Year" [Altigen Communications Fiscal Third Quarter Earnings Results, [07/23/20](#)]

Altigen Communications Saw Its Total Revenue For The Third Quarter Increase 3% From The Prior Quarter To \$3 Million From \$2.9 Million. "Total revenue for the third quarter was \$3.0 million, an increase of 3% from the \$2.9 million reported in the preceding quarter, and an increase of 14% from the \$2.7 million reported in the comparable period last year." [Altigen Communications Fiscal Third Quarter Earnings Results, [07/23/20](#)]

In The Nine Months Of Fiscal Year 2020, Altigen Communications Saw Its "Total Revenue Increase 10% To \$8.8 Million, Compared With \$7.9 Million For The Nine Months Of Fiscal 2019." "For the nine months of fiscal 2020, total revenue increased 10% to \$8.8 million, compared with \$7.9 million for the nine months of fiscal 2019. During the first nine months of fiscal 2020, cloud services revenue increased 20% to \$5.5 million, software assurance revenue decreased 6% to \$2.0 million, software license revenue decreased 14% to \$736,000 and professional services and other revenue increased 44% to \$495,000." [Altigen Communications Fiscal Third Quarter Earnings Results, [07/23/20](#)]

Since January 2020 Altigen Communications Paid At Least \$1.3 Million In Legal Fees Stemming From A 2016 Complaint Alleging The Company Engaged In "Misappropriation Of Trade Secrets, Breach Of Contract, Civil Conspiracy And Tortious Interference" Against A Former Reseller.

March 30, 2016: CTI Communications, A Former Reseller Of Altigen Communications, Filed A Complaint Against The Company And Others Alleging "Misappropriation Of Trade Secrets, Breach Of Contract, Civil Conspiracy And Tortious Interference." "On March 30, 2016, CTI Communications, LLC, a former reseller of the Company ('CTI'), filed a complaint against the Company, Affiliated Technology Solutions, LLC, a current reseller of the Company ('ATS'), James Jerome Cruz, a former CTI employee, and Thomas W. Welsh, President of ATS, in the Colorado District Court, Larimer County (the 'Court'). The complaint alleged misappropriation of trade secrets, breach of contract, civil conspiracy and tortious interference." [Altigen Communications Q1 2018 Quarterly Report, [02/14/19](#)]

- **January 2020: A Trial Court Ordered Altigen Communications Pay \$724,000 In Damages To CTI Communications, As Well As Approximately \$115,000 In "Post-Judgment Interest."** "As noted in Item 5, 'Legal Proceedings' and Note 3, 'Commitments and Contingencies,' in connection with the CTI litigation, in January 2020, the trial court rendered its final judgement and awarded CTI approximately \$724,000 in damages. The court also awarded CTI post-judgment interest (based on statutory rate) of approximately \$115,000 on certain categories of damages." [Altigen Communications Q2 2020 Quarterly Report, [06/29/20](#)]

- **May 13, 2020: Altigen Communications Was Ordered To Pay \$447,000 In "CTI Attorney Fees And Costs And Post-Judgement Interest."** "Furthermore, on May 13, 2020, the trial court ordered a final judgment awarding CTI attorney fees and costs and post-judgement interest of approximately \$447,000." [Altigen Communications Q2 2020 Quarterly Report, [06/29/20](#)]
- **June 11, 2020: Altigen Communications Was Ordered To Pay "CTI Attorney Fees Of Approximately \$76,000 For The Appellate Portion Of The Case."** "The trial court also awarded CTI attorney fees of approximately \$76,000 for the appellate portion of the case on June 11, 2020. The civil theft claim is currently pending before the trial court." [Altigen Communications Q2 2020 Quarterly Report, [06/29/20](#)]

Q2 2020: Alpine 4 Technologies Ltd. Received Nearly \$3.8 Million In PPP Money While Its Revenue Increased 36% Over Q2 2019 To \$8.8 Million.

Alpine 4 Technologies Ltd. Received \$3,761,866 In Forgivable PPP Money.

Alpine 4 Technologies Received Five PPP Loans Totaling \$3,761,866 With Expectations That "Some Or All Of These Loans" Will Be Forgiven. "In April and May 2020 the Company received five loans under the Paycheck Protection Program of the Coronavirus Aid, Relief and Economic Security ('CARES') Act totaling \$3,761,866. The loans have terms of 24 months and accrue interest at 1% per annum. The Company expects some or all of these loans to be forgiven as provided by in the CARES Act." [Alpine 4 Technologies Form 10-K, [06/01/20](#)]

Q2 2020: Alpine 4 Technologies Ltd. Saw Revenue Increase 36% Over Q2 2019 To \$8.8 Million

Q2 2020: Alpine 4 Technologies' Revenue Was \$8.8 Million, A 36% Increase Over Q2 2019. "Alpine 4 Technologies, Ltd. (OTCQB: ALPP) announced today that it is providing preliminary guidance for its Q2 2020 sales. The company expects to report for the period ending Q2 2020 sales of \$8.8 million, which is revenue growth of approximately 36% over Q2 2019." [Alpine 4 Technologies, Ltd. Press Release, [07/22/20](#)]

ENGlobal Corporation Received Nearly \$5 Million In Forgivable PPP Money While Its Q2 2020 Revenue Increased 31% From Q2 2019.

ENGlobal Corporation Received \$4,915,800 In Forgivable PPP Money

April 13, 2020: ENGlobal Corporation Received \$4,915,800 In Forgivable PPP Money. "On April 13, 2020, the Company was granted an unsecured loan (the 'PPP Loan') from Origin Bank in the aggregate principal amount of \$4,915,800 pursuant to the Paycheck Protection Program (the 'PPP') under Division A, Title I of the Coronavirus Aid, Relief and Economic Security Act ('CARES Act'). The PPP Loan is evidenced by a promissory note, dated as of April 13, 2020 (the 'Note'), by ENGlobal in favor of Origin Bank, as lender." [ENGlobal Corporation Form 10-Q, [08/06/20](#)]

Q2 2020: ENGlobal Corporation's Revenue Increased 31% From Q2 2019 To Over \$13.6 Million

ENGlobal Corporation Saw Revenue Of \$17,882,000 For Q2 2020 Compared To \$13,621,000 For Q2 2019 – A 31% Increase. "In the second quarter of 2020, ENGlobal achieved revenue of \$17,882,000, a 31 percent improvement on revenue of \$13,621,000 recorded in Q2 2019. This gain was due to a \$3.3 million, or 41 percent, increase in revenue from the company's Automation segment, and a \$1.0 million, or 17 percent, increase in revenue from its Engineering, Procurement and Construction Management (EPCM) segment." [ENGlobal Corporation Fiscal Second Quarter Earnings Results, [08/06/20](#)]

Q2 2020: Durect Corporation Received Over \$2 Million In Forgivable PPP Money, Despite Seeing A Nearly 300% Increase In Net Income Over Q2 2019 After Receiving \$23.1 Million In Deferred Revenue From A Terminated Business Deal With Gilead.

Durect Corporation Received \$2,037,395 In Forgivable PPP Money

April 19, 2020: Durect Corporation Received \$2,037,395 In Forgivable PPP Money. "On April 19, 2020, DURECT Corporation (the 'Company'), entered into a note (the 'Note') in the amount of \$2,037,395 evidencing a loan made to the Company under the Paycheck Protection Program (the 'PPP'). The Company received the loan principal funds on April 20, 2020. The PPP was established under the Coronavirus Aid, Relief, and Economic Security Act (the 'CARES Act') and is administered by the U.S. Small Business Administration (the 'SBA'). The loan to the Company was made through Silicon Valley Bank (the 'Lender')." [Durect Corporation Form 8-K, [04/23/20](#)]

Q2 2020: Durect Corporation Saw Its Net Income Increase By 298% Over The Same Period Of 2019 To \$14.2 Million Due To \$23.1 Million In Deferred Revenue From A Terminated Business Deal With Gilead.

Q2 2020: Durect Corporation Reported \$14.3 Million In Net Income Compared To A Net Loss Of \$7.2 Million For The Same Period Of 2019 – A 298 Percent Increase. "DURECT Corporation (Nasdaq: DRRX) today announced financial results for the three months ended June 30, 2020 and provided a corporate update. [...] Total revenues were \$25.8 million and net income was \$14.3 million for the three months ended June 30, 2020 as compared to total revenues of \$4.0 million and net loss of \$7.2 million for the three months ended June 30, 2019." [Durect Corporation Fiscal Second Quarter Earning Results, [08/03/20](#)]

This Increase In Net Income Was The Result Of Durect Corporation Receiving "\$23.1 Million In Deferred Revenue From The \$35 Million Upfront Fee" From The Termination Of An Agreement With Gilead.

"Revenues for the three months ended June 30, 2020 included the recognition of \$23.1 million in deferred revenue from the \$35 million upfront fee and initial milestone payment associated with the termination notice of our agreement with Gilead." [Durect Corporation Fiscal Second Quarter Earnings Results, [08/03/20](#)]

Kopin Corporation Received \$2.1 Million In Forgivable PPP Money Despite A 50% Increase In Q2 Revenue Over The Previous Year To \$6.7 Million And Being A "Defense-Related Business" Able To Remain "Open And Operating During The COVID 19 Lockdown."

Kopin Corporation Received \$2.1 Million In Forgivable PPP Money.

April 22, 2020: Kopin Corporation Received Approximately \$2.1 Million In Forgivable PPP Money. "On April 22, 2020, Kopin Corporation (the 'Company') received the proceeds from a loan in the amount of approximately \$2.1 million (the 'PPP Loan') from Rockland Trust Company, as lender, pursuant to the Paycheck Protection Program ('PPP') of the Coronavirus Aid, Relief, and Economic Security Act (the 'CARES Act'). The PPP Loan matures on April 20, 2022 and bears interest at a rate of 1.0% per annum." [Kopin Corporation Form 8-K, [04/27/20](#)]

Kopin Corporation, A "Defense-Related Business" That Remained Open During The COVID-19 Lockdown, Saw Its Second Quarter Revenues Increase 50% Over The Same Period Of 2019 To \$6.7 Million Due To "Strong Demand."

Q2 2020: Kopin Corporation's Revenue Increased By 50% Over The Same Period Of 2019 To \$6.7 Million Due To "Strong Demand For [Their] Products." "Kopin Corporation (Nasdaq: KOPN), a leading developer and provider of high resolution micro displays, optical modules and display sub-assemblies, today

provided an update on its business initiatives and financial results for the second quarter ended June 27, 2020. 'We are very pleased that strong demand for our products continued in the second quarter with our total product revenues growing by 50% year over year,' said Dr. John C.C. Fan, CEO of Kopin. [...] Product revenues for the second quarter ended June 27, 2020 were \$6.7 million, compared with \$4.4 million for the second quarter ended June 29, 2019, a 50% increase year over year. " [Kopin Corporation Fiscal Second Quarter Earnings Results, [08/04/20](#)]

Due To Its Status As A "Defense-Related Business," Kopin Corporation Has "Remained Open And Operating During The COVID 19 Lockdown." "Our continued success would not be possible without the dedication of our employees. Kopin has remained open and operating during the COVID 19 lockdown due to the essential nature of our defense-related business. I believe we have done a great job coordinating the activities of our employees, both working on-site and remotely." [Kopin Corporation Fiscal Second Quarter Earnings Results, [08/04/20](#)]

- **Defense Companies Are Exempt From Lockdown Orders Due To Being "Critical To The National Response To The Pandemic."** "In response to exemption requests from steelmakers, the aerospace and defense industry, food companies, and others, the Trump administration on Thursday identified 16 industries as critical to the national response to the pandemic." [Wall Street Journal, [03/20/20](#)]

AutoWeb, Inc. Received \$1.38 Million In Forgivable PPP Money Although Its Gross Profits Increased 11% And "As A Percentage Of Revenue, Gross Profit Increased Significantly To 35.5% Compared To 19.8% [For The Same Period Of 2019]."

AutoWeb, Inc. Received \$1.38 Million In Forgivable PPP Money.

April 16, 2020: AutoWeb, Inc. Received \$1.38 Million In Forgivable PPP Money. "On April 16, 2020, the Company received a loan in the amount of approximately \$1.38 million from PNC pursuant to the Paycheck Protection Program ('PPP') administered by the United States Small Business Administration ('SBA') under the CARES Act ('PPP Loan'). The PPP Loan was granted pursuant to a Paycheck Protection Program Term Note dated April 16, 2020, issued by the Company ('PPP Note'). [...] The Company intends to apply for forgiveness after the covered period. Furthermore, the Company expects to meet the terms of forgiveness as described above." [AutoWeb, Inc. Form 10-Q, [08/05/20](#)]

AutoWeb Gross Profits Increased 11% To \$6 Million, And "As A Percentage Of Revenue, Gross Profit Increased Significantly To 35.5% Compared To 19.8%."

AutoWeb's Gross Profits For The Second Quarter "Increased 11% To \$6.0 Million Compared To \$5.4 Million In The Year-Ago Quarter," And "As A Percentage Of Revenue, Gross Profit Increased Significantly To 35.5% Compared To 19.8%." "Gross profit in the second quarter increased 11% to \$6.0 million compared to \$5.4 million in the year-ago quarter. As a percentage of revenue, gross profit increased significantly to 35.5% compared to 19.8%. The increase was driven by improved traffic acquisition and lower costs per lead, as well as continued focus on higher-margin distribution channels." [AutoWeb, Inc. Fiscal Second Quarter Earnings Results, [08/05/20](#)]

A Subsidiary Of PolarityTE, Inc. Received Over \$3.5 Million In Forgivable PPP Money While The Company Saw Its Q2 2020 Revenue Increase To \$2.27 Million From \$1.33 Million In The Same Period Of 2019 After It Made \$710,000 In Revenue From COVID-19 Testing Services.

A Subsidiary Of PolarityTE, Inc. Received \$3,576,145 In Forgivable PPP Money.

April 12, 2020: PolarityTE MD, Inc., A Subsidiary Of PolarityTE, Inc., Received \$3,576,145 In Forgivable PPP Money. "On April 12, 2020, our subsidiary PolarityTE MD, Inc. (the 'Borrower') entered into a promissory note evidencing an unsecured loan in the amount of \$3,576,145 made to it under the Paycheck Protection Program (the 'Loan'). The Paycheck Protection Program (or 'PPP') was established under the Coronavirus Aid, Relief, and Economic Security Act (the 'CARES Act') and is administered by the U.S. Small Business Administration. [...] Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or a portion of a loan granted under the PPP." [Polarityte, Inc. Form 10-Q, [08/06/20](#)]

Q2 2020: PolarityTE Saw Its Revenue Increase To \$2.27 Million From \$1.33 Million In Q2 2019, With \$710,000 Of This Revenue Coming From COVID-19 Testing Services.

Q2 2020: PolarityTE's Revenue For Was \$2.27 Million Compared To \$1.33 Million In The Same Quarter Of 2019 – \$710,000 Of This Revenue Came "From COVID-19 Testing Services That The Company Started Providing At The End Of May 2020." "Total revenue for the three months ended June 30, 2020 was \$2.27 million, of which \$0.94 million was from sales of SkinTE and \$1.32 million from PolarityTE's contract service operations, which includes \$0.71 million from COVID-19 testing services that the Company started providing at the end of May 2020." [PolarityTE, Inc. Fiscal Second Quarter Earnings Results, [08/06/20](#)]

- **"Total Revenues Were \$2.27 Million In Q2:20 Compared To \$1.33 Million In Q2:19"** [PolarityTE, Inc. Fiscal Second Quarter Earnings Results, [08/06/20](#)]
- **\$1,330,000 to \$2,270,000 Represents A 70.7% Increase** [OmniCalculator, accessed [08/11/20](#)]

LiveXLive Media, Inc. Received Approximately \$2 Million In Forgivable PPP Money While Having "Record Revenue Of \$10.5 Million" In Its Fiscal First Quarter As Its CEO Proclaimed The Company Was "Uniquely Positioned To Benefit From The Abrupt Stop Of Live Music And Entertainment Due To COVID-19."

LiveXLive Media, Inc. Received Approximately \$2 Million In Forgivable PPP Money.

April 13, 2020: LiveXLive Media, Inc. Received Approximately \$2 Million In Forgivable PPP Money. "On April 13, 2020, LiveXLive Media, Inc. (the 'Company') received the proceeds from a loan in the amount of approximately \$2.0 million (the 'PPP Loan') from MidFirst Bank, as lender, pursuant to the Paycheck Protection Program ('PPP') of the Coronavirus Aid, Relief, and Economic Security Act (the 'CARES Act')." [LiveXLive Media, Inc. Form 8-K, [04/17/20](#)]

LiveXLive Media, Inc. "Posted Record Revenue Of \$10.5 Million" In The First Quarter Ending June 30, 2020, As It Was, According To Its CEO And Chairman, "Uniquely Positioned To Benefit From The Abrupt Stop Of Live Music And Entertainment Due To COVID-19"

Livexlive Media, Inc. "Posted Record Revenue Of \$10.5 Million" In The First Quarter Ending June 30, 2020. "LiveXLive Media, Inc. (Nasdaq: LIVX) ('LiveXLive'), a global platform for live stream and on-demand audio, video and podcast content in music, comedy and pop culture, announced today record results for its first fiscal quarter ended June 30, 2020. In Q1 fiscal 2021, LiveXLive posted record revenue of \$10.5 million as well as record contribution margin* of \$2.8 million." [LiveXLive Media, Inc. Fiscal First Quarter Earnings Results, [08/06/20](#)]

LiveXLive CEO And Chairman Robert Ellin: "LiveXLive Was Uniquely Positioned To Benefit From The Abrupt Stop Of Live Music And Entertainment Due To COVID-19." "LiveXLive CEO and Chairman, Robert Ellin, commented, 'LiveXLive was uniquely positioned to benefit from the abrupt stop of live music and entertainment due to COVID-19. We have the first talent-centric platform focused on superfans and building long term franchises in audio music, podcasting, OTT linear channels, pay-per-view, and livestreaming. Our model includes multiple monetization paths including subscription, advertising, sponsorship, merchandise

sales and ticketing. We are excited to raise our revenue guidance for our 2021 fiscal year based on momentum in our core businesses." [LiveXLive Media, Inc. Fiscal First Quarter Earnings Results, [08/06/20](#)]

July 2020: LiveXLive Media Also Completed An \$18 Million All-Stock Acquisition Of PodcastOne.

July 2020: LiveXLive Media Completed An \$18 Million All-Stock Acquisition Of PodcastOne.

"PodcastOne, the podcast network created in 2013 by longtime network radio executive Norm Pattiz, is now a wholly-owned subsidiary of LiveXLive Media, the live concert video streaming service. The all-stock deal valued at \$18.1 million that was announced in May has closed. Pattiz has joined LiveXLive as a significant shareholder while remaining Executive Chairman of PodcastOne." [Inside Radio, [07/01/20](#)]

- **"Completed Acquisition Of PodcastOne In July 2020"** [LiveXLive Media, Inc. Fiscal First Quarter Earnings Results, [08/06/20](#)]

Applied Optoelectronics, Inc. Received \$6.23 Million In Forgivable PPP Money While Increasing Its Q2 2020 Revenue By Nearly \$22 Million Over Q2 2019 To \$65.2 Million.

Applied Optoelectronics, Inc. Received \$6.23 Million In Forgivable PPP Money.

April 17, 2020: Applied Optoelectronics, Inc. Received \$6.23 Million In Forgivable PPP Money. "On April 17, 2020, the Company entered into a term note with Truist Bank, with a principal amount of \$6.23 million pursuant to the Paycheck Protection Program ('PPP Term Note') under the Coronavirus Aid, Relief, and Economic Security Act (the 'CARES Act')." [Applied Optoelectronics, Inc. Form 10-Q, [05/08/20](#)]

Q2 2020: Applied Optoelectronics Revenue Increased By Nearly \$22 Million Over Q2 2019 To \$65.2 Million.

Q2 2020: Applied Optoelectronics Reported Total Revenue Of \$65.2 Million "Compared With \$43.4 Million In The Second Quarter Of 2019 And \$40.5 Million In The First Quarter Of 2020." "Applied Optoelectronics, Inc. (NASDAQ: AAOI), a leading provider of fiber-optic access network products for the internet datacenter, cable broadband, telecom and fiber-to-the-home (FTTH) markets, today announced financial results for its second quarter 2020 ended June 30, 2020. [...] Total revenue was \$65.2 million, compared with \$43.4 million in the second quarter of 2019 and \$40.5 million in the first quarter of 2020." [Applied Optoelectronics, Inc. Fiscal Second Quarter Earnings Results, [08/06/20](#)]

- **\$43,400,000 To \$65,200,000 Represents A 50.2% Increase.** [OmniCalculator, accessed [08/11/20](#)]

EMCORE Corporation Received Approximately \$6.5 Million In Forgivable PPP Money While Its Q3 Revenue Increased 58.3% Over The Same Period Of 2019 To \$27.2 Million.

EMCORE Corporation Received Approximately \$6.5 Million In Forgivable PPP Money.

May 6, 2020: EMCORE Corporation Received Approximately \$6.5 Million In Forgivable PPP Money. "On May 3, 2020, the Company entered into a Paycheck Protection Program Promissory Note and Agreement (the "PPP Loan Agreement") with Wells Fargo Bank, N.A. under the Paycheck Protection Program ("PPP") established under the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") to receive loan proceeds of approximately \$6.5 million (the "PPP Loan"), which the Company received on May 6, 2020." [EMCORE Corporation Form 10-Q, [08/06/20](#)]

Q3 2020: EMCORE Corporation Saw Its Revenue Increase 58.3% Over The Same Period Of 2019 To Over \$27.2 Million.

Q3 2020: EMCORE Corporation Saw Its Revenue Increase To \$27,266,000 From \$17,219,000 In The Same Period Of 2019 – A 58.3% Increase. [EMCORE Corporation Fiscal Third Quarter Earnings Results, [08/05/20](#)]

- **\$17,219,000 To \$27,266,000 Represents A 58.35% Increase.** [OmniCalculator, accessed [08/12/20](#)]

Calyxt, Inc. Received \$1.5 Million In Forgivable PPP Money While Its Revenue For The First Six Months Of 2020 Increased 728% Over The Same Period Of 2019 To \$4.7 Million.

Calyxt, Inc. Received \$1.5 Million In Forgivable PPP Money

April 19, 2020: Calyxt, Inc. Received \$1.5 Million In Forgivable PPP Money. "Our long-term debt is comprised of a \$1.5 million promissory note pursuant to the Paycheck Protection Program (the 'Paycheck Protection Program loan') established by the Coronavirus Aid, Relief, and Economic Security Act (the 'CARES Act') implemented by the U.S. Small Business Administration ("SBA"). We received the funds under the Paycheck Protection Program loan on April 19, 2020." [Calyxt, Inc. Form 10-Q, [08/05/20](#)]

First Six Months Of 2020: Calyxt, Inc. Saw Its Revenue Increase 728% Over The Same Period Of 2019 To \$4.7 Million.

Calyxt, Inc. Saw Its Revenue Increase By "\$4.1 Million, Or 728 Percent, From The First Six Months Of 2019." To \$4.7 Million. "Revenue increased by \$4.1 million, or 728 percent, from the first six months of 2019 to \$4.7 million in the first six months of 2020. The revenue growth was driven by 751 basis points of volume growth and 19 basis points of favorable product mix as we sold more oil in 2020 as a percentage of total revenue than in 2019, both partially offset by 42 basis points of pricing, primarily the result of lower meal prices compared to the same period in 2019." [Calyxt, Inc. Form 10-Q, [08/05/20](#)]

Q2 2020: NovaBay Pharmaceuticals, Inc. Received Over \$900,000 In Forgivable PPP Money While Increasing Its Net Product Revenue 122% To \$4 Million Over Q2 2019 After Selling \$2.8 Million Worth Of KN95 Masks.

NovaBay Pharmaceuticals, Inc. Received \$901,000 In Forgivable PPP Money

May 6, 2020: NovaBay Pharmaceuticals, Inc. Received \$901,000 In Forgivable PPP Money. "On May 6, 2020, the Company received loan proceeds in the amount of \$901 thousand from Wells Fargo Bank, N.A. (the 'Loan') pursuant to the Paycheck Protection Program ('PPP') under the Coronavirus Aid, Relief and Economic Security Act (the 'CARES Act'), which was enacted on March 27, 2020." [NovaBay Pharmaceuticals, Inc. Form 10-Q, [08/06/20](#)]

Q2 2020: NovaBay Pharmaceuticals, Inc. Net Product Revenue Increased 122% Over Q2 2019 To \$4 Million Due The Sale Of \$2.8 Million Worth Of KN95 Masks.

Q2 2020: NovaBay Pharmaceuticals, Inc. Saw Its Net Product Revenue Increase 122% Over Q2 2019 To \$4 Million "Due To \$2.8 Million In Net Product Revenue From The Sale Of KN95 Masks." "Net product revenue for the second quarter of 2020 was \$4.0 million, a 122% increase from \$1.8 million for the second quarter of 2019. The increase is due to \$2.8 million in net product revenue from the sale of KN95 masks, with no comparable revenue in the second quarter of 2019." [NovaBay Pharmaceuticals, Inc. Fiscal Second Quarter Earnings Results, [08/06/20](#)]

Nature's Sunshine Products, Inc. Received \$5.4 Million In Forgivable PPP Money While Its Net Sales Decreased 3.8% To \$87.3 Million.

Nature's Sunshine Products, Inc. Received \$5.4 Million In Forgivable PPP Money.

April 14, 2020: Nature's Sunshine Products, Inc. Received \$5.4 Million In Forgivable PPP Money. "On April 14, 2020, we obtained a loan (the 'Loan') from Bank of America, B.A. in the amount of \$5.4 million under the Paycheck Protection Program (the 'PPP') of the Coronavirus Aid, Relief, and Economic Security ('CARES') Act. The PPP is a loan designed to provide an incentive for qualifying businesses to maintain their employees on the payroll despite significant economic uncertainty." [Nature's Sunshine Products, Inc. Form 10-Q, [08/06/20](#)]

Nature's Sunshine Products, Inc.'s Q2 2020 Net Sales Only Decreased By 3.8% Over Q2 2019.

Q2 2020: Nature's Sunshine Products, Inc.'s Decreased Only 3.8% To \$87.3 Million Over The Same Period Of 2019. "Nature's Sunshine Products, Inc. (Nature's Sunshine) (NASDAQ: NATR), a leading natural health and wellness company, reported financial results for the second quarter ended June 30, 2020. [...] Net sales in the second quarter were \$87.3 million compared to \$90.7 million in the same year-ago quarter." [Nature's Sunshine Products, Inc. Fiscal Second Quarter Earnings Results, [08/06/20](#)]

ReWalk Robotics Ltd. Received \$392,000 In Forgivable PPP Money While Its Q2 2020 Revenue Increased 88.8% From Q2 2019 To \$1.7 Million.

ReWalk Robotics Ltd. Received \$392,000 In Forgivable PPP Money.

April 21, 2020: ReWalk Robotics Ltd. Received \$392,000 In Forgivable PPP Money. "On April 21, 2020, RRI entered into an unsecured note (the 'Note') evidencing an unsecured loan in the amount of \$392 thousand under the Paycheck Protection Program (the 'PPP') as part of the Coronavirus Aid, Relief, and Economic Security Act (the 'CARES Act') enacted on March 27, 2020." [ReWalk Robotics Ltd. Form 10-Q, [05/28/20](#)]

Q2 2020: ReWalk Robotics Ltd Revenue Increased 88.8% To \$1.7 Million From Q2 2019.

Q2 2020: ReWalk Robotics Ltd. Revenue Increased To \$1.7 Million From \$900,000 In The Same Period Of 2019. "ReWalk Robotics Ltd. (Nasdaq: RWLK) ('ReWalk' or the 'Company') today announced its financial results for the three and six months ended June 30, 2020. [...] Total revenue was \$1.7 million for the second quarter of 2020, compared to \$0.9 million during the prior year quarter." [ReWalk Robotics Ltd. Fiscal Second Quarter Earnings Results, [08/12/20](#)]

- **\$900,000 To \$1,700,000 Represents A 88.9% Increase.** [OmniCalculator, accessed [08/12/20](#)]

Crexendo, Inc. Received Over \$1 Million In Forgivable PPP Money While Its Q2 2020 Net Income Increased 50% Over The Same Period Of 2019.

Crexendo, Inc. Received \$1,000,626 In Forgivable PPP Money.

April 21, 2020: Crexendo, Inc. Received \$1,000,626 In Forgivable PPP Money. "On April 21, 2020, we received a loan from Infinity Bank in the aggregate principal amount of One Million, Six Hundred and Twenty-Six Dollars (\$1,000,626), pursuant to the Paycheck Protection Program (the 'PPP') under the Coronavirus Aid, Relief, and Economic Security Act (the 'CARES Act'), which was enacted March 27, 2020. The loan bears interest at a rate of 1.00% per annum, payable monthly commencing on November 21, 2020, following an initial deferral period as specified under the PPP." [Crexendo, Inc. Form 10-Q, [08/10/20](#)]

Q2 2020: Crexendo, Inc. Net Income Increased 50% Over Q2 2019.

Q2 2020: Crexendo, Inc. Net Income Increased 50% Over The Same Period Of 2019. “ The Company reported net income of \$508,000 for the second quarter of 2020, or \$0.03 per basic and diluted common share, compared to \$338,000 or \$0.02 per basic and diluted common share for the second quarter of 2019, an increase of 50% year over year.” [Crexendo, Inc. Fiscal Second Quarter Earnings Results, [08/10/20](#)]

FlexShopper Received Nearly \$2 Million In Forgivable PPP Money While Its Q2 2020 Gross Profits Increased 25.8% Over Q2 2019 To \$7.4 Million.

FlexShopper Received \$1,914,100 In Forgivable PPP Money

May 4, 2020: FlexShopper Received \$1,914,100 In Forgivable PPP Money. “FlexShopper, LLC (the ‘Borrower’) applied for and received a loan (the ‘Loan’) on May 4, 2020, from Customers Bank (the ‘Lender’) in the principal amount of \$1,914,100, pursuant to the Paycheck Protection Program (the ‘PPP’) under the Coronavirus Aid, Relief, and Economic Security Act (the ‘CARES Act’), which was enacted March 27, 2020, and administered through the U.S. Small Business Administration.” [FlexShopper, Inc. Form 10-Q, Fiscal Second Quarter Earnings Results, [08/10/20](#)]

FlexShopper's Q2 2020 Gross Profits Increased 25.8% Over Q2 2019 To \$7.4 Million.

Q2 2020: FlexShopper's Gross Profit Increased 25.8% To \$7.4 Million From \$5.9 Million In The Same Period Of 2019. "FlexShopper, Inc. (Nasdaq:FPAY) ('FlexShopper'), a leading national online lease-to-own ('LTO') retailer and LTO payment solution provider, today announced its financial results for the quarter ended June 30, 2020, highlighted by growth in adjusted EBITDA and net revenues. [...] Gross profit increased 25.8% to \$7.4 million from \$5.9 million" [FlexShopper, Inc. Fiscal Second Quarter Earnings Results, [08/10/20](#)]

Reed's, Inc. Received \$770,000 In Forgivable PPP Money The Same Month It Raised Over \$5 Million In A Common Stock Public Offering; It Also Saw Its Net Sales Increase 14% Over Q2 2019 To \$10.9 Million.

Reed's, Inc. Received \$770,000 In Forgivable PPP Money.

April 20, 2020: Reed's, Inc. Received \$770,000 In Forgivable PPP Money. "On April 20, 2020, the Company was granted a loan (the 'PPP loan') from City National Bank in the aggregate amount of \$770, pursuant to the Paycheck Protection Program (the 'PPP') under the CARES Act." [Reed's, Inc. Form 10-Q, [08/10/20](#)]

The Same Month, Reed's, Inc. Raised \$5,310,000 A Public Offering Of Its Common Stock

April 2020: Reed's, Inc. Raised \$5,310,000 A Public Offering Of Its Common Stock. "In April 2020, the Company conducted a public offering of 15,333,334 shares of its common stock at \$0.375 per share, resulting in net proceeds to the Company of \$5,310." [Reed's, Inc. Form 10-Q, [08/10/20](#)]

Q2 2020: Reed's, Inc.'s Net Sales Increased 14% Over Q2 2019.

Reed's, Inc.'s Net Sales For Q2 2020 Increased 14% To \$10.9 Million Compared To \$9.5 Million In The Same Period Of 2019. "Reed's Inc. (Nasdaq:REED), owner of the nation's leading portfolio of handcrafted, all-natural beverages, today announced financial results for the fiscal second quarter ended June 30, 2020. [...] Net sales increased 14% to \$10.9 million in the second quarter compared to \$9.5 million in the prior year. The increase compared to the prior year reflects increased sales of both the Reed's® and Virgil's® brands, including impact from recent launches of new product innovation." [Reed's, Inc Fiscal Second Quarter Earnings Results, [08/10/20](#)]

Vuzix Corporation Received Over \$1.5 Million In Forgivable PPP Money While Its Q2 Revenue Increased 39% Over The Previous Year And 98% From Q1 2020 To \$3 Million Due To Record Sales Of Smart Glasses From Businesses Impacted By COVID-19.

Vuzix Corporation Received \$1,555,900 In Forgivable PPP Money

April 21, 2020: Vuzix Corporation Received \$1,555,900 In Forgivable PPP Money. "On April 21, 2020, the Company entered into a Paycheck Protection Program ('PPP') Term Note ('PPP Note') under the Paycheck Protection Program of the recently enacted Coronavirus Aid, Relief, and Economic Security Act ('CARES Act') administered by the U.S. Small Business Administration (the 'US SBA'). The Company received total proceeds of \$1,555,900 from the PPP Note." [Vuzix Corporation Form 10-Q, [08/10/20](#)]

Q2 2020: Vuzix Corporation's Revenue Increased 39% Over Q2 2019 And 98% From Q1 2020 Due To A 183% Increase In Sales Of Smart Glasses "Primarily Driven By Interest From New Customers And Follow-On Orders From Existing Customers Whose Business Operations Have Been Impacted By COVID-19."

Q2 2020: Vuzix Corporation's Revenue Increased 39% Over The Same Period Of 2019, And 98% From Q1 2020 To \$3 Million. "Vuzix® Corporation (NASDAQ: VUZI) ('Vuzix' or, the 'Company'), a leading supplier of Smart Glasses and Augmented Reality (AR) technologies and products, today reported its second quarter results for the period ended June 30, 2020. 'Our second quarter revenue grew 39% over the comparable 2019 period and 98% sequentially from our first quarter to \$3.0 million as our enterprise business continued to expand at an accelerated pace and engineering services sales doubled to \$0.7 million versus the comparable 2019 period.'" [Vuzix Corporation Fiscal Second Quarter Earnings Results, [08/10/20](#)]

Vuzix Corporation Recorded \$2.3 Million In Record Sales Of Its Smart Glasses – An 183% Increase Over The Same Period Of 2019 And 70% Increase From Q1 2020 – "Primarily Driven By Interest From New Customers And Follow-On Orders From Existing Customers Whose Business Operations Have Been Impacted By COVID-19." "We delivered a record \$2.3 million of Vuzix smart glasses in the quarter, an increase of 183% year-over-year and 70% sequentially from our first quarter of 2020, primarily driven by interest from new customers and follow-on orders from existing customers whose business operations have been impacted by COVID-19." [Vuzix Corporation Fiscal Second Quarter Earnings Results, [08/10/20](#)]

Document Security Systems, Inc. Received Nearly \$965,000 In Forgivable PPP Money Before Agreeing To Spend As Much As \$50 Million To Expand.

Document Security Systems, Inc. Received Approximately \$963,000 In Forgivable PPP Money.

April 2020: Document Security Systems, Inc. Received Approximately \$963,000 In Forgivable PPP Money. "In April 2020, the Company received loan proceeds in the amount of approximately \$963,000 under the Paycheck Protection Program ('PPP'). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ('CARES Act'), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. [...] The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period." [Document Security Systems, Inc. Form 10-Q, [05/14/20](#)]

In Q2 2020, Document Security Systems, Inc. Signed An Agreement To Acquire Impact Biomedical For As Much As \$50 Million.

Q2 2020: Document Security Systems, Inc. Signed An Agreement To Acquire Impact BioMedical After The Quarter's End. "Document Security Systems, Inc. ('DSS' or the 'Company') (NYSE American: DSS), a multinational company operating businesses focusing on brand protection technology, blockchain security,

direct marketing, healthcare, real estate, and securitized digital assets, today announced its financial results for the second quarter ended June 30, 2020. [...] Signed agreement to acquire Impact BioMedical; after the quarter end, DSS shareholders voted to approve the acquisition, meeting the final condition required to complete the transaction. [Document Security Systems, Inc. Fiscal Second Quarter Earnings Results, [08/14/20](#)]

- **March 2020: This Acquisition Was To Be Conducted By A "Share Exchange Transaction With A Purchase Price Capped At \$50 Million."** "Document Security Systems, Inc. (DSS) (NYSE American: DSS), a leader in anti-counterfeit, authentication and diversion protection technologies, today announced that it has entered into a binding term sheet to ('Term Sheet') acquire Impact Biomedical, Inc. (IMPACT), a company engaged in the development and marketing of biohealth security technologies, in a proposed share exchange transaction with a purchase price capped at \$50 million, subject to completion of due diligence and an independent valuation." [Document Security Systems, Inc. Press Release, [03/12/20](#)]

AudioEye, Inc. Received Over \$1.3 Million In Forgivable PPP Money While Having Its "First-Ever \$5M Revenue Quarter" Thanks To A 117% Revenue Increase Over The Same Period Of 2019.

AudioEye, Inc. Received \$1,302,000 In Forgivable PPP Money.

April 15, 2020: AudioEye, Inc. Received \$1,302,000 In Forgivable PPP Money. "On April 15, 2020, the Company entered into an agreement in the amount of \$1,302,000 with Liberty Capital Bank ('Term Loan') pursuant to the Paycheck Protection Program ('PPP') of the CARES Act, which is administered by the Small Business Administration ('SBA'). [...] All or a portion of the Loan may be forgiven upon application by the Company in accordance with the SBA requirements." [AudioEye, Inc. Form 10-Q, [08/13/20](#)]

Q2 2020: AudioEye, Inc. Had Record Revenues With A 117% Increase Over The Same Period Of 2019 And Its "First-Ever \$5M Revenue Quarter."

In The Second Quarter Ending June 30, 2020, AudioEye, Inc. Increased Its Revenue 117% To A "Record \$5.3M From \$2.4M In The Same Period A Year Ago" – "The Company's First-Ever \$5M Revenue Quarter." "AudioEye, Inc. (NASDAQ: AEYE), an industry-leading software solution provider delivering website accessibility compliance to businesses of all sizes, reported financial results for the second quarter ended June 30, 2020. [...] Total revenue increased 117% to a record \$5.3M from \$2.4M in the same period a year ago. The increase in revenue was primarily due to continued growth in the Company's vertical partner channels, coupled with new business and renewals in Enterprise channel during the period, and represents the Company's first-ever \$5M revenue quarter." [AudioEye, Inc. Fiscal Second Quarter Earnings Results, [08/13/20](#)]

Bioanalytical Systems, Inc. Received Over \$5 Million In Forgivable PPP Money While Increasing Its Total Revenue 55% And Gross Profits Nearly 70% Over The Same Period Of 2019.

Bioanalytical Systems, Inc. Received \$5,051,282 In Forgivable PPP Money.

April 23, 2020: Bioanalytical Systems, Inc. Received \$5,051,282 In Forgivable PPP Money. "On April 23, 2020, the Company was granted a loan (the 'Loan') from Huntington National Bank in the aggregate amount of \$5,051, pursuant to the Paycheck Protection Program under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The principal and accrued interest under the Loan is to be repaid in eighteen installments of \$283 beginning on November 16, 2020 and continuing monthly until the final payment is due on April 16, 2022. The Company plans to seek forgiveness of the Loan. [...] For example, in response to the outbreak the Company applied for and was granted a Paycheck Protection Program loan (the 'PPP Loan') in the aggregate amount of \$5,051,282." [Bioanalytical Systems, Inc. Form 10-Q, [08/14/20](#)]

Bioanalytical Systems, Inc. Saw Its Total Revenue Increase 55% And Its Gross Profit Increase 67.9% In The Nine Months Ending June 30, 2020.

Nine Months Ending June 30, 2020: Bioanalytical Systems, Inc. Saw Its Total Revenue Increase 55% And Its Gross Profit Increase 67.9% Over The Same Period Of 2019. "In the nine months ended June 30, 2020, total revenues increased to \$44,695 from \$28,830, a 55.0% increase from the nine months ended June 30, 2019. [...] Gross profit increased to \$13,614 from \$8,110, a 67.9% increase." [Bioanalytical Systems, Inc. Form 10-Q, [08/14/20](#)]

- **Bioanalytical Systems Estimated The "Impact On Revenue In The Nine Months Ended June 30, 2020" Was Only "Approximately \$2,000."** "We had clients who delayed some large programs and we had start dates for other programs that were postponed. We estimate that the impact on revenue in the nine months ended June 30, 2020 was approximately \$2,000 from the delays and postponements." [Bioanalytical Systems, Inc. Form 10-Q, [08/14/20](#)]

Oblong, Inc. Received Nearly \$2.5 Million In Forgivable PPP Money While Increasing Its Q2 2020 Revenue By \$400,000 Over Q2 2019 To \$2.8 Million.

Oblong, Inc. Received \$2,417,000 In Forgivable PPP Money.

April 10, 2020: Oblong, Inc. Received \$2,417,000 In Forgivable PPP Money. "On April 10, 2020 (the "Origination Date"), the Company received \$2,417,000 in aggregate loan proceeds (the "PPP Loan") from MidFirst Bank (the "Lender") pursuant to the Paycheck Protection Program ("PPP") under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The PPP Loan is evidenced by a Promissory Note (the "Note"), dated April 10, 2020, by and between the Company and the Lender. Subject to the terms of the Note, the PPP Loan bears interest at a fixed rate of one percent (1.0%) per annum. Payments of principal and interest are deferred for the first six months following the Origination Date." [Oblong, Inc. Form 10-Q, [xx/xx/xx](#)]

Oblong, Inc. Increased Its Q2 2020 Revenue By \$400,000 Over Q2 2019 To \$2.8 Million.

In The Second Quarter Ending June 30, 2020, Oblong, Inc. Increased Its Revenue To \$2.8 Million Over \$2.4 Million For The Same Period Of 2019. "Oblong, Inc. (NYSE American: OBLG) ('Oblong' or the 'Company'), the award-winning maker of multi-stream collaboration solutions, today announced financial results for the three months ended June 30, 2020. [...] Revenue of \$2.8 million for the second quarter of 2020, compared to \$2.4 million for the second quarter of 2019." [Oblong, Inc. Securities and Exchange Commission Edgar Filing, Form 8-K, [08/14/20](#)]

Companies Connected To Major Republican Financiers Took As Much As \$45 Million In PPP Funds.

SUMMARY: In the wake of the COVID-19 pandemic, Congress passed financial relief for small business owners. (This included a boost to Economic Injury Disaster Loans (EIDL), meant to cover temporary financial losses, and the Paycheck Protection Program (PPP), designed to help with payroll and other operating expenses.) But companies backed by private equity, hedge funds, and venture capital have also enjoyed access to aid, despite the announcement of rules that would broadly exclude these industries from at least PPP.

An Accountable.US review has found tens of millions of dollars in (mostly forgivable) aid going to companies backed by private equity tied to the Trump administration.

- **Billionaire Venture Capitalist Peter Thiel** — who gave \$6.8 million to Republican candidates since the 2016 cycle — backs 21 firms that took up to \$32.45 million in forgivable PPP loans, and \$650,000 in EIDL.
- Three firms backed by **Elliott Management, a hedge fund run by billionaire and Trump ally Paul Singer** took as much as \$1.7 million in PPP loans even though the fund saw its assets “balloon” to \$42 billion during the pandemic.
- Two firms backed by **investor Walter Buckley**—who has given over \$1 million to Republican campaigns since the 2016 cycle—took as much as \$700,000 in PPP loans.
- SERVPRO franchises—backed by **close Trump Ally Blackstone**—took up to \$9 million in PPP loans and \$300,000 in EIDL, despite “booming” business and worker complaints

The private equity industry – long criticized for an “abusive” business model that puts profits far ahead of workers – worked on behalf of its portfolio companies while Congress debated stimulus aid. Massive lobbying efforts preceded loosened PPP rules enabling private equity to benefit from the program, and the industry has spent about \$136 million in the 2020 election cycle. On top of their efforts, reports show the industry is expected to bounce back in the near future.

Through The CARES Act, PPP And EIDL Were Intended To Help Small Businesses With Limited Access To Capital Amidst The COVID 19 Pandemic...

The Paycheck Protection Program (PPP) Was Intended To Offer Forgivable Loans To Small Businesses That Did Not Have Easy Access To Capital During The Coronavirus Pandemic.

April 3, 2020: Small Business Administration (SBA) Launched The Paycheck Protection Program (PPP), Designed For Small Businesses To Receive Forgivable Loans Amidst The COVID-19 Pandemic.

“The U.S. Small Business Administration Administrator Jovita Carranza today launched the Paycheck Protection Program, a \$349 billion emergency loan program created last week with the President’s signing of the Coronavirus Aid, Relief, and Economic Security Act (CARES). The program provides forgivable loans up to \$10 million to small businesses left financially distressed by the Coronavirus (COVID-19) pandemic. The loans, which will be administered at the local level by a national network of banks and credit unions, are designed to maintain the viability of millions of small businesses struggling to meet payroll and day-to-day operating expenses.” [Small Business Administration – Press Release, [4/3/20](#)]

The U.S. Small Business Administration (SBA) Has Closed The PPP To “Big Public Companies ‘With Substantial Market Value And Access To Capital Markets.’” “[...] [T]he SBA has worked to close that loophole, saying that big public companies “with substantial market value and access to capital markets” don’t qualify for the program.” [CNBC, [07/06/20](#)]

Congress Allocated Funds To The Economic Injury Disaster Loan Program Amid COVID 19, For Small Businesses Experiencing “Temporary Loss Of Revenue”

Economic Injury Disaster Loans Were Designed For Small Businesses Experiencing “Temporary Loss Of Revenue” Due To COVID-19. “In response to the Coronavirus (COVID-19) pandemic, small business owners and non-profit organizations in all U.S. states, Washington D.C., and territories are able to apply for an Economic Injury Disaster Loan (EIDL). EIDL is designed to provide economic relief to businesses that are currently experiencing a temporary loss of revenue. EIDL proceeds can be used to cover a wide array of working capital and normal operating expenses, such as continuation to health care benefits, rent, utilities, and fixed debt payments.” [U.S. Small Business Administration, Economic Injury Disaster Loans, Accessed [7/31/20](#)]

Congress Allocated An Additional \$20 Billion To EIDL Program Amid COVID-19. “The legislation also expanded the separate Economic Injury Disaster Loan Program (the ‘EIDL’ Program) with \$10 billion of additional funding under the CARES Act, and an additional \$10 billion in funding added on April 24, 2020, bringing the EIDL Programs grants total to \$20 billion.” [JDSupra, Foley & Lardner LLP, [5/15/20](#)]

Economic Injury Disaster Loan Advances Were Forgivable Up To The Amount Of \$10,000. “Small businesses may also apply for an EIDL loan of up to \$2 million from the federal government through December 31, 2020. Applicants can also apply for up a \$10,000 Economic Injury Disaster Loan Emergency Advance. The amount of the Advance is determined by the number of employees you had before the onset of the coronavirus (i.e., as of January 31, 2020). The advance will provide \$1,000 per employee up to a maximum of \$10,000. Only the EIDL advance monies are eligible for forgiveness.” [CorpNet, [4/20/20](#)]

...Yet Companies Backed By “Cash-Rich” Private Equity Firms, Hedge Funds, And Venture Capital Have Accessed Paycheck Protection Program (PPP) Loans.

Although Private Equity Firms And Hedge Funds Were Excluded From PPP, Companies Backed By “Cash-Rich” Private Equity And Speculative Hedge Funds Received Loans.

Hedge Funds And Private Equity Firms Were Excluded From The PPP. “The government in late April deemed hedge funds ineligible for the relief program, saying that because they’re primarily engaged in speculative investments they shouldn’t be entitled to PPP loans. Private equity firms were also barred from the package, though companies they invest in found ways to qualify.” [Bloomberg, [07/06/20](#)]

“The SBA In Its New Rule Said It Doesn’t Believe Congress Meant For Private-Equity Firms And Hedge Funds To Have Access To The PPP.” [Wall Street Journal, [04/24/20](#)]

April 2020: The SBA Deemed These Hedge Fund And Private Equity Firms Ineligible For PPP Since They Are “Engaged In Investment Or Speculation.” “The SBA in April ruled that these investment firms weren’t eligible for the aid as they are ‘engaged in investment or speculation.’” [Wall Street Journal, [07/07/20](#)]

The “Cash-Rich” Private Equity Industry Has Benefited From The Paycheck Protection Program. “Yet across the cash-rich private equity world, many firms pushed ahead, benefiting from the \$669 billion Paycheck Protection Program run by the Small Business Administration and Treasury Department, according to lawyers and lenders with knowledge of the strategies.” [Bloomberg, [07/02/20](#)]

July 9, 2020: The Washington Post Reported That Millions Of Dollars In PPP Loans Went To “Medical And Dental Practices That Work In Tandem With Ventures Controlled By Private Equity.” “Yet a trove of

data from the Paycheck Protection Program made public this week lists millions of dollars in loans to medical and dental practices that work in tandem with ventures controlled by private equity— -- setting up those investments to benefit too.” [Washington Post, [07/09/20](#)]

- **The Private Equity Firms Tied To The Medical And Dental Practices Included “Abry Partners, Prospect Hill Growth Partners and Gauge Capital.”** “Abry Partners, Prospect Hill Growth Partners and Gauge Capital are among private equity firms with portfolio companies that partner with medical practices that the government says took loans.” [Washington Post, [07/09/20](#)]

July 7, 2020: The Wall Street Journal Reported That Other Private Equity Firms And Hedge Funds Took Millions In PPP Loans, “Despite Being Told They Weren’t Allowed To Access The Money.” “A number of private-equity firms received millions of dollars in loans from a taxpayer-backed program despite being told they weren’t allowed to access the money, an analysis of U.S. Small Business Administration data shows. Hedge funds and private-equity funds were among those that tapped the Paycheck Protection Program, created to help small businesses get through the coronavirus pandemic.” [Wall Street Journal, [07/07/20](#)]

- **The Firms Included Story3 Capital Partners, BlueKey Equity Partners, And 3P Equity Partners.** “They include Los Angeles-based investment-and-advisory boutique Story3 Capital Partners LLC; Florida-based BlueKey Equity Partners; and 3P Equity Partners, a San Jose, Calif., private-equity firm that manages \$158.5 million.” [Wall Street Journal, [07/07/20](#)]

July 6, 2020: Institutional Investor Reported That Multiple Hedge Funds Took PPP Loans. “According to the data released Monday, activist hedge fund firm Marcato Capital Management was approved for a loan of between \$150,000 and \$350,000 from the program. In late December, CNBC reported that the firm was liquidating. A spokesperson for the firm did not immediately return an email seeking comment.” [Institutional Investor, [07/06/20](#)]

- **Marto Capital Received Between \$150,000 To \$350,000 In PPP Funds.** [Accountable.US, COVIDBailoutTracker.com, Accessed [8/4/20](#)]

PPP And EIDL Aid Went To Companies Tied To Private Equity And The Trump Administration

21 Firms Backed By Billionaire And Early Trump Backer Peter Thiel Took Up To \$32.45 Million In PPP Loans.

Peter Thiel, Billionaire Venture Capitalist And PayPal Co-Founder, Was “One Of The Few Tech Leaders To Publicly Back Mr. Trump” In The 2016 Cycle, Donating \$1.25 Million And Speaking At That Year’s Republican National Convention. “Mr. Thiel, a venture capitalist and co-founder of PayPal Holdings Inc., spoke at the Republican National Convention in 2016, where he criticized the state of the economy and described Mr. Trump as a man set to rebuild America. One of the few tech leaders to publicly back Mr. Trump that year, he also donated \$1.25 million to the Trump campaign and related groups.” [Wall Street Journal, [07/02/20](#)]

- **Peter Thiel Was Worth \$2.1 Billion, As Of July 28, 2020.** [Forbes, [07/28/20](#)]

Peter Thiel Co-Founded And Still Backs Valar Ventures. [Crunchbase, accessed [07/27/20](#)]

21 Firms Backed By Peter Thiel And/Or Valar Ventures, One Of His Venture Funds, Received Between \$14,200,000 And \$32,450,000 In PPP Funds:

Date	Recipient	PPP Range
4/13/20	Luminar Technologies, Inc.	\$5,000,000-\$10,000,000
4/15/20	Safegraph, Inc	\$350,000-\$1,000,000
4/15/20	Osaro Inc	\$350,000-\$1,000,000
4/14/20	Teal Drones, Inc.	\$150,000-\$350,000
4/27/20	Wild Earth Inc	\$350,000-\$1,000,000
4/29/20	Drive Motors, Inc (Modal)	\$350,000-\$1,000,000
4/13/20	Ostendo Technologies, Inc.	\$2,000,000-\$5,000,000
5/2/20	Caplinked, Inc	\$150,000-\$350,000
4/13/20	Immusoft Corporation	\$150,000-\$350,000
4/13/20	The Big Think, Inc	\$150,000-\$350,000
4/28/20	Breather Products Us Inc. (Valar)	\$1,000,000-\$2,000,000
4/15/20	Petal Card, Inc (Valar)	\$1,000,000-\$2,000,000
4/13/20	Upguard, Inc. (Valar)	\$350,000-\$1,000,000
4/11/20	Kafene, Inc. (Valar)	\$150,000-\$350,000
5/5/20	Debtsy, Inc. (Valar)	\$150,000-\$350,000
4/12/20	Taxbit Inc. (Valar)	\$150,000-\$350,000
4/30/20	Irisvr Inc (Valar)	\$350,000-\$1,000,000
4/7/20	Jopwell Inc. (Valar)	\$350,000-\$1,000,000
4/14/20	Jetty National Inc (Valar)	\$1,000,000-\$2,000,000
4/10/20	Homie Technology, Inc. (Valar)	\$350,000-\$1,000,000
4/15/20	Loanstreet Inc (Valar)	\$350,000-\$1,000,000
		Total: \$14,200,000-\$32,450,000

[Accountable.US, COVIDBailoutTracker.com, Accessed [8/4/20](#)]

Two Thiel-Backed Entities Received \$650,000 In EIDL Funds

Immusoft Corporation Received A \$150,000 Economic Injury Disaster Loan With A \$10,000 Advance.

6638	Immusoft Corporation	454 N 34TH ST	SEATTLE	WA	98103	USA
80506	13 REBEL ROAD REALTY, LLC	13 REBEL RD.	HUDSON	NH	1000	3051 USA
805062	IMMUSOFT	454 N. 34th Street	SEATTLE	WA	10000	98103 USA
805063	REDACTED DUE TO BILL				1000	4537 USA

[Small Business Administration – Economic Injury Disaster Loan 2020 Report, [6/30/20](#); Small Business Administration – Economic Injury Disaster Loan Advance 2020 Report, [6/30/20](#)]

Jopwell, Inc. Received A \$500,000 Economic Injury Disaster Loan.

1231	GREAT COMMISSION ASSOCIATION OF SOUTH	17705 HALE AVE SUITE H2	MORGAN	CA	95037	USA
1232	JOPWELL INC	39 W 14TH STREET SUITE 205	NEW YORK	NY	10011	USA
1233	ALLIED TITANIUM. INC.	1400 E WASHINGTON ST	SEQUIM	WA	98382	USA

[Small Business Administration – Economic Injury Disaster Loan 2020 Report, [6/30/20](#)]

Peter Thiel Has Given Over \$6.8 Million To Donald Trump And Republican Congressional Campaigns Since The 2016 Election Cycle.

Peter Thiel Has Donated \$6,827,200 To Republican Campaign Committees Since The 2016 Election Cycle, Most Recently Donating On June 14, 2020:

Recipient Committee	Amount	Date	Donor Employer	Donor Occupation
Cotton Victory	\$2,800	2020-06-14	Thiel Capital LLC	Investment Management
Cotton For Senate, Inc.	\$2,800	2020-06-14	Thiel Capital LLC	Investment Management
Free Forever Political Action Committee	\$250,000	2020-02-07	President	Thiel Capital, LLC
Free Forever Political Action Committee	\$100,000	2019-12-31	President	Thiel Capital, LLC
Kobach For Senate	\$2,800	2019-09-30	Thiel Capital LLC	President
Kobach For Senate	\$1,800	2019-09-30	Thiel Capital LLC	President
Kobach For Senate	\$1,000	2019-09-30	Thiel Capital LLC	President
Congressional Leadership Fund	\$100,000	2018-11-01	Thiel Capital	Chairman
Club For Growth Action	\$1,000,000	2018-09-27	Thiel Capital	Chairman
Trump Victory	\$250,000	2018-07-10	Thiel Capital	President
Republican National Committee	\$101,700	2018-07-10	Thiel Capital	President
Republican National Committee	\$101,700	2018-07-10	Thiel Capital	President
Republican National Committee	\$33,900	2018-07-10	Thiel Capital	President
Republican National Committee	\$7,300	2018-07-10	Thiel Capital	President
Donald J. Trump For President, Inc.	\$2,700	2018-07-10	Thiel Capital	President
Donald J. Trump For President, Inc.	\$2,700	2018-07-10	Thiel Capital	President
Ivan Raiklin For Us Senate	\$2,700	2017-11-20	Thiel Capital LLC	President
Ivan Raiklin For Us Senate	\$2,700	2017-11-20	Thiel Capital LLC	President
Mccarthy Victory Fund	\$44,300	2017-11-14	Thiel Capital LLC	President
Nrcc	\$33,900	2017-11-14	Clarium Capital	President
Majority Committee Pac--Mc Pac	\$5,000	2017-11-14	Thiel Capital, LLC	President
Kevin Mccarthy For Congress	\$2,700	2017-11-14	Clarium Capital	Executive
Kevin Mccarthy For Congress	\$2,700	2017-11-14	Clarium Capital	Executive
Josh Hawley For Senate	\$2,700	2017-11-09	Thiel Capital LLC	President
Josh Hawley For Senate	\$2,700	2017-11-09	Thiel Capital LLC	President
Nrcc	\$66,100	2017-09-19	Clarium Capital	President
Nrcc	\$33,900	2017-09-19	Clarium Capital	President
Nrsc	\$33,900	2017-09-19	Clarium Capital Partners	President
Nrsc	\$16,100	2017-09-19	Clarium Capital Partners	President
Mccarthy Victory Fund	\$41,400	2016-11-02	Thiel Capital LLC	President
Nrcc	\$33,400	2016-11-02	Clarium Capital	Executive

Majority Committee Pac--Mc Pac	\$5,000	2016-11-02	Thiel Capital, LLC	President
Kevin Mccarthy For Congress	\$2,700	2016-11-02	Clarium Capital	Executive
Nrcc	\$300	2016-11-02	Clarium Capital	Executive
Make America Number 1	\$1,000,000	2016-10-26	Clarium Capital	Executive
Trump Victory	\$250,000	2016-10-06	Thiel Capital	President
Republican National Committee	\$100,200	2016-10-06	Thiel Capital	President
Republican National Committee	\$100,200	2016-10-06	Thiel Capital	President
Republican National Committee	\$33,400	2016-10-06	Thiel Capital	President
Republican National Committee	\$13,500	2016-10-06	Thiel Capital	President
Donald J. Trump For President, Inc.	\$2,700	2016-10-06	Thiel Capital	President
Hurd Victory Fund	\$2,700	2016-08-31	Thiel Capital LLC	President
Hurd For Congress	\$2,700	2016-08-31	Thiel Capital LLC	President
Fighting For Ohio Fund	\$1,000,000	2016-08-10	Clarium Capital	Executive
California Republican Party Federal Acct	\$3,600	2016-07-12	Clarium Capital Mgmt, LLC	Investor
Paul Babeu For Congress	\$5,400	2016-07-01	Thiel Capital LLC	President
Paul Babeu For Congress	\$2,700	2016-07-01	Thiel Capital LLC	President
Paul Babeu For Congress	-\$2,700	2016-07-01	Thiel Capital LLC	President
California Republican Party Federal Acct	\$900	2016-06-23	Clarium Capital Mgmt, LLC	Investor
Grant Starrett For Congress	\$2,700	2016-05-10	Thiel Capital LLC	President
Grant Starrett For Congress	\$2,700	2016-05-10	Thiel Capital LLC	President
Lead Encourage Elect Pac - Lee Pac	\$5,000	2015-09-24	Thiel Capital LLC	President
Friends Of Mike Lee Inc	\$8,100	2015-08-27	Thiel Capital LLC	President
Friends Of Mike Lee Inc	\$2,700	2015-08-27	Thiel Capital LLC	President
Friends Of Mike Lee Inc	\$2,700	2015-08-27	Thiel Capital LLC	President
Friends Of Mike Lee Inc	-\$2,700	2015-08-27	Thiel Capital LLC	President
Friends Of Mike Lee Inc	-\$2,700	2015-08-27	Thiel Capital LLC	President
Conservative, Authentic, Responsive Leadership For You And For America	\$2,000,000	2015-08-25	Thiel Capital LLC	Finance
Total:	\$6,827,200			

July 2020: Thiel Was Expected To Pour Millions Into Republican Congressional Campaigns Although He Reportedly Would Not Donate Any More To Donald Trump.

In The Weeks Leading Up To July 2020, Peter Thiel Began Claiming “He Plans To Sit Out This Year’s Presidential Campaign Because He Thinks Re-Election Is Increasingly A Long Shot.” “President Trump’s most prominent Silicon Valley supporter, billionaire Peter Thiel, has told friends and associates that he plans to sit out this year’s presidential campaign because he thinks re-election is increasingly a long shot, people familiar with the matter say. [...] In recent weeks, however, in private conversations from his oceanfront estate in Hawaii, Mr. Thiel has said he soured on the president’s prospects, the people said. Mr. Thiel said he

believes it is likely that the economy will be mired in deep recession in November, with double-digit unemployment, and that any sitting president would be at a stark disadvantage to a challenger.” [Wall Street Journal, [07/02/20](#)]

Instead Of Donating To The Presidential Race, Thiel Was Likely To Contribute Millions To Republican Candidates For The House And Senate. “Though he still has time to make a late move again, this year Mr. Thiel instead is likely to spend millions of dollars on races in the House and Senate, in an effort to keep at least one branch of government in Republican hands, people familiar with the matter said.” [Wall Street Journal, [07/02/20](#)]

3 Firms Backed By A Hedge Fund Run By Billionaire And Trump Ally Paul Singer Took As Much As \$1.7 Million In PPP Loans Even Though The Fund Saw Its Assets “Balloon” To \$42 Billion During The Pandemic.

3 Firms Backed By Elliott Management, A Hedge Fund Founded By Billionaire Paul Singer, Took As Much As \$1.7 Million In PPP Loans.

Paul Singer, Founder Of Hedge Fund Elliott Management, Was Worth \$3.6 Billion As Of June 28, 2020. [Forbes, accessed [07/28/20](#)]

3 Firms Backed By Elliott Management Took Between \$750,000 And \$1,700,000 In PPP Loans:

Date	Recipient	PPP Range
4/28/20	Integrated International Payroll, LLC	\$150,000-\$350,000
4/15/20	Plum, Inc.	\$350,000-\$1,000,000
4/16/20	Explorer Surgical Corp.	\$150,000-\$350,000
		Total: \$750,000-\$1,700,000

[Accountable.US, COVIDBailoutTracker.com, Accessed [8/4/20](#)]

June 2020: Elliott Management’s Assets “Balloon” To \$42 Billion, Doubling Since 2012.

June 2020: Elliott Management’s Assets “Balloon To About \$42 Billion.” “Activist hedge fund Elliott Management is taking stakes in larger technology companies as its assets under management balloon to about \$42 billion.” [CNBC, [06/14/20](#)]

- **Elliott Management’s Assets Doubled From 2012 To June 2020.** “The fund’s assets under management this year are about \$42 billion -- doubling from 2012, including a \$5 billion raise in 24 hours in 2017.” [CNBC, [06/14/20](#)]

Paul Singer Has Given Over \$4.5 Million To Republican Campaigns In The 2020 Election Cycle Alone, After Giving \$1 Million To Trump’s Inauguration And \$24 Million To Republican And Conservative Groups In The 2016 Cycle.

As Of April 17, 2020, Paul And Linda Singer Had Given \$4,566,627 To Republican Candidates And Groups In The 2020 Election Cycle. [OpenSecrets, [04/17/20](#)]

Paul Singer Gave \$1 Million To Trump’s Inauguration After Opposing Him In The 2016 Cycle. “Singer – who supported Florida Republican Senator Marco Rubio for president in 2016 – and the *Free Beacon* had nothing to do with financing the dossier, the publication told the *Times*. After the election, he made peace with Trump, gave \$1 million to the inaugural, and visited with Trump at the White House in February.” [Institutional Investor, [10/30/17](#)]

Paul Singer Gave \$24 Million To Republican And Conservative Organizations In The 2016 Election Cycle. “He donated \$24 million to outside Republican and conservative groups in the 2016 election, in addition to \$10.6 million in 2014 and \$2.8 million in 2012, according to the Center for Responsive Politics.” [Institutional Investor, [10/30/17](#)]

In 2017, Paul Singer Said He Discussed Economic Policy With The White House And Said He Was “Optimistic” About The Trump Administration’s Tax And Regulatory Reform Agenda. “After Trump’s election, Singer said at a Bloomberg event in June, ‘I became optimistic about some of the opportunities in economic growth and regulatory reform, tax reform.’ Singer said he and Trump ‘chatted a bit about taxes and economic policy’ when he visited the White House.” [Institutional Investor, [10/30/17](#)]

Paul Singer Was Named To One The White House’s “Great American Economic Revival” Groups To Re-Open The Economy—These Groups Were Heavily Stocked With Top Executives And Political Donors.

Paul Singer Was Named To The White House’s “Great American Economic Revival” Industry Group On Financial Services. “Today, President Donald J. Trump announced many of the esteemed executives, economists, scholars, and industry leaders who together will form various Great American Economic Revival Industry Groups. These bipartisan groups of American leaders will work together with the White House to chart the path forward toward a future of unparalleled American prosperity. [...] Financial Services [...] Elliott Management – Paul Singer” [The White House, [04/14/20](#)]

Donald Trump’s “Great American Economic Revival Industry Groups” To Reopen The Economy Were Heavily Stocked With Top Executives Who Had Given A \$467 Million To Republican Campaigns And Conservative Groups Since The 2016 Election Cycle. “President Donald Trump is enlisting business leaders — including many of his top donors — to help guide the White House through its attempt to gradually reopen parts of the economy shuttered by the coronavirus pandemic. The White House published a list of executives this week dubbed ‘Great American Economic Revival Industry Groups’ who will be asked to join conference calls with the president on how to reopen the economy. The list includes dozens of Trump donors and several major benefactors to Republican candidates.” [OpenSecrets, [04/17/20](#)]

- **“Members Of The New Task Force And Their Spouses Gave A Combined \$467 Million To Republican Candidates And Conservative Groups Since The 2016 Election Cycle, According To Contribution Data From OpenSecrets.”** [OpenSecrets, [04/17/20](#)]

2 Firms Backed By Investor Walter Buckley—who Has Given Over \$1 Million To Republican Campaigns Since The 2016 Cycle—took As Much As \$700,000 In PPP Loans.

Walter Buckley Is Chairman And CEO Of Actua Corporation, Which Acquires Cloud-Based Businesses, And Managing Partner Of Private Equity Firm Seminal Partners, Which Invests In Cloud-Based Businesses.

Walter W. Buckley, III Is The Chairman Of The Board And CEO Of The Actua Corporation, Which Acquires Cloud Companies. [Actua Corporation, accessed [07/28/20](#)]

- **Actua Corporation Acquires Cloud Companies.** “Others look more closely and see an astute acquirer and builder of cloud companies that targets vertical markets and processes. They’re both right: Actua is a cloud company focused on transforming vertical and highly specialized markets.” [Actua Corporation, accessed [07/28/20](#)]

Walter Buckley Is Also Managing Partner Of Seminal Partners, A Private Equity Firm. [LinkedIn, accessed [07/28/20](#)]

- **Seminal Capital Partners Is A Private Equity Firm That Invests In Cloud-Based Businesses.** “Seminal Capital Partners is a private equity firm based in Radnor, Pennsylvania and was founded in 2018. The firm makes investments in the cloud-based software businesses across North America.” [Pitchbook, accessed [07/28/20](#)]

2 Firms Backed By Actua Corporation Took As Much As \$700,000 In PPP Loans After The Company Paid Out \$24 Million To Shareholders In February 2020.

Two Firms Backed By Actua Corporation Took Between \$300,000 And \$700,000 In PPP Loans:

Date	Recipient	PPP Range
4/8/20	Captive Capital Corporation	\$150,000-\$350,000
6/5/20	Commerx Us, Inc.	\$150,000-\$350,000
		Total: \$300,000-\$700,000

[Accountable.US, COVIDBailoutTracker.com, Accessed [8/4/20](#)]

February 3, 2020: Actua Corporation Announced A Liquidating Distribution To Stockholders Valued At About \$24 Million. “Actua Corporation announced today that it will make a liquidating distribution of \$0.75 per share to its stockholders of record as of February 4, 2020; payment of the liquidating distribution will be made on February 7, 2020. The aggregate distribution of approximately \$24.0 million is being made in light of the recent receipt of cash related to the Company’s disposition of its interests in minority holdings.” [Actua, [02/03/20](#)]

- **A Liquidating Distribution Is A Type Payment That A Firm Makes To Shareholders.** “A liquidating dividend is a type of payment that a corporation makes to its shareholders during a partial or full liquidation. For the most part, this form of distribution is made from the company's capital base. As a return of capital, this distribution is typically not taxable for shareholders. A liquidating dividend is distinguished from regular dividends that are issued from the company's operating profits or retained earnings. A liquidating dividend is also called liquidating distribution.” [Investopedia, accessed [07/28/20](#)]

Walter Buckley Has Given Over \$1.1 Million To Republican Campaigns Since The 2016 Cycle.

Walter Buckley Has Given Over \$1.1 Million To Republican Political Committees Since The 2016 Election Cycle:

Recipient Committee	Amount	Date	Donor Employer	Donor Occupation
Congressional Leadership Fund	\$500,000.00	2020-06-11	Actua Corporation	CEO
Congressional Leadership Fund	\$500,000.00	2020-03-31	Actua Corporation	CEO
Collins For Senator	\$2,800.00	2020-03-12	Actua Corp	Chair
Collins For Senator	\$2,800.00	2020-03-12	Actua Corp	Chair
The Peter Norbeck Leadership Pac	\$2,500.00	2018-12-14	Actua Corporation	CEO
Keystone Alliance Political Action Committee	\$5,000.00	2018-05-29	Actua	CEO
Congressional Leadership Fund	\$100,000.00	2018-05-07	Actua Corporation	CEO
Bartos For Senate Inc	\$2,700.00	2017-06-29	Actua	Chairman And CEO
Keystone Alliance Political Action Committee	\$5,000.00	2016-05-25	Actua	CEO
Chris Christie For President Inc	\$2,700.00	2016-02-03	Actua	CEO
Total:	\$1,123,500.00			

SERVPRO Franchises—Backed By Close Trump Ally Blackstone—took Up To \$9 Million In PPP Loans Despite “Booming” Business And Worker Complaints

The Blackstone Group Owns Cleaning Company SERVPRO, Which Has Gotten As Much As \$9 Million From 28 Paycheck Protection Program (PPP) Loans Through Its Franchisees.

The Blackstone Group Purchased Cleaning And Restoration Company SERVPRO For An Estimated \$1 Billion In March 2019, In What Was Expected To Be A Long-Term Investment:

- **March 26, 2019: Blackstone Acquired SERVPRO Industries, A Cleaning And Restoration Company, In A \$1 Billion Deal.** “Blackstone has won an auction to purchase Servpro Industries, a provider of clean-up and emergency restoration services, for an enterprise value of more than \$1 billion, per The Wall Street Journal.” [Pitchbook, [03/19/19](#)]
- **Blackstone Made The Purchase Through A Fund That Is “Expected To Hold Its Investments For As Many As 20 Years.”** “Capital for the investment will reportedly come from Blackstone's \$5 billion long-dated fund, which is expected to hold its investments for as many as 20 years.” [Pitchbook, [03/19/19](#)]
- **SERVPRO “Has More Than 1,700 Franchises Across The US.”** “Based in Gallatin, TN, Servpro has more than 1,700 franchises across the US that deal with water damage, fire damage, mold and other issues for residential and commercial customers.” [Pitchbook, [03/19/19](#)]
- **Blackstone Is “The World’s Largest Private Equity Firm” And It “Raised The Largest Ever Private Equity Fund” In 2019.** “Blackstone, the world’s largest private equity firm, has raised the largest ever private equity fund.” [[Blackstone collects \\$26bn for biggest ever private equity fund](#),” *Private Equity International*, 09/17/19]

SERVPRO Franchises Have Gotten 28 Paycheck Protection Program (PPP) Loans Totaling As Much As \$9 Million. Details can be found in the below table:

Date	Recipient	Address	PPP Range
5/1/2020	“Degre, Inc DbA Servpro Of Lake Havasu City, Bullhea	2775 Kiowa Blvd N, Lake Havasu City, AZ 86404	\$150,000-350,000
5/1/2020	“Firepit Holdings Corp DbA Servpro Of Gi Lbert And Chandler Sout”	45 N Sunway Dr, Gilbert, AZ 85233	\$150,000-350,000
5/1/2020	“Raav Corporation DbA Servpro Of Whittier Or Servpro Of La”	9245 Santa Fe Springs Rd, Santa Fe Springs, CA 90670	\$350,000-1 Million
4/15/2020	“Servpro Of Sorrento Valley/University Ci”	9932 Mesa Rim Rd Ste B, San Diego, CA 92121	\$350,000-1 Million
5/3/2020	“Servpro Of Beverly Hills D&A Endeavors”	8484 Wilshire #605, Beverly Hills, CA 90211	\$150,000-350,000
4/14/2020	“Strachan Enterprises Inc. DbA Servpro La Jolla”	9097 Kenamar Dr, San Diego, CA 92121	\$150,000-350,000
5/3/2020	“Servpro Of Fort Collins”	308 N Link Lane, Fort Collins, CO 80254	\$350,000-1 Million
4/16/2020	“Mat Enterprises LLC DbA Servpro Of North Central Colorado Sp”	7917 Red Granite Loop Ste 120, Colorado Springs, CO 80939	\$150,000-350,000
4/6/2020	“Servpro”	100 Peters Road, Bloomfield, CT, 6002	\$350,000-1 Million
4/7/2020	“Servpro Of Bay County”	1403 Florida Ave, Panama City, FL 32401	\$350,000-1 Million
4/4/2020	“Servpro”	110 Chase Court, Milledgeville, GA 31061	\$150,000-350,000
4/27/2020	“R&R Boardwalk LLC Servpro Of Bglz”	1098 Johnson Drive, Buffalo Grove, IL 60089	\$150,000-350,000
4/13/2020	“Servpro Of Howard County, LLC”	6671 Santa Barbara Rd Suite R, Elkrige MD 21075	\$350,000-1 Million
4/14/2020	“Servpro Of Rockville-Olney, Inc”	850 East Gude Drive Suite H, Rockville, MD 20850	\$350,000-1 Million
4/30/2020	“Sp Of Carroll County, LLC D/B/A Servpro Of Carroll County”	60 Aileron Ct. #2, Westminster, MD 21158	\$150,000-350,000
4/11/2020	“Servpro Of Novi”	4077 Pioneer Dr, Commerce Township, MI 48390	\$150,000-350,000
4/30/2020	“Mitigation Services T/A Servpro”	1879 Old Cuthbert Rd, Cherry Hill, NJ 8034	\$150,000-350,000
4/8/2020	“Servpro Of Downtown Las Vegas Inc.”	3808 Octagon Rd, North Las Vegas, NV 89030	\$150,000-350,000
5/1/2020	“Pro Restoration, Inc. DbA Servpro Of Port Jefferson”	501 Middle Country Rd, Coram, NY 11727	\$350,000-1 Million
4/15/2020	“Servpro Nwse Dutchess County Ny”	506 Salt Point Turnpike, Poughkeepsie, NY 12601	\$150,000-350,000
4/8/2020	“Servpro Of Northwest Cincinnati”	2115 Schappelle Ln, Cincinnati, OH 45240	\$150,000-350,000
4/14/2020	“Servpro Of Springboro Middletown”	4645 Emerald Way, Middletown, OH 45044	\$150,000-350,000
4/6/2020	“Servpro Of Norman”	3200 Deskin Dr, Norman, OK 73069	\$150,000-350,000
4/5/2020	“Servpro Of Fayette County”	1211 Avon Drive, Connellsville, PA 15425	\$150,000-350,000

5/1/2020	" Michael W. Johnston Investments, Inc. Db A Servpro Of Champions1960 Or Servpro "	11111 Jones Rd W, Houston, TX 77065	\$150,000-350,000
4/6/2020	" Servpro Of Tyler "	20958 FM 2493, Bullard, TX 75757	\$150,000-350,000
5/15/2020	" Wise 1, Inc. D/B/A Servpro Of N. Prince William County "	138 Kelley Ct, Front Royal, VA 20109	\$350,000-1 Million
4/4/2020	" Servpro Of Madison, Inc. "	5959 Haase Road, Deforest, WI 53532	\$150,000-350,000
Totals			\$2,850,000-\$9,000,000

[Accountable.US, COVIDBailoutTracker.com, Accessed [8/4/20](#)]

July 2020: Blackstone Reportedly Claimed Its Portfolio Companies Did Not Use Small Business Administration Funding. "But representatives for some of the largest -- KKR, Blackstone Group Inc., Apollo Global Management, Carlyle Group Inc., TPG and Ares Management -- said companies they control did not use SBA money." [Bloomberg, [07/02/20](#)]

Two Blackstone-Backed Entities Received \$150,000 Each In EIDL Funds:

- Strachan Enterprises (DBA Servpro La Jolla) Received A \$150,000 Economic Injury Disaster Loan.**

253849	A	20200521	7	2	Strachan Enterprises Inc. dba Servpro La Jolla	9097 Kenamar Drive	San Diego CA	150000	92121	USA
253850	A	20200521	7	3	REDACTED DUE TO PII		NI	9000	8226	USA

[Small Business Administration – Economic Injury Disaster Loan 2020 Report, [6/30/20](#)]

- ServPro Of Gilbert And Chandler South Received A \$150,000 Economic Injury Disaster Loan.**

234478	Phonopia, LLC	1949 Frank Stiles St			El Monte CA	91733	150000	USA
234479	ServPro of Gilbert and Chandler South	45 N Sunway Dr			Gilbert AZ	85233	150000	USA
234480	SPRANCO AUDIO VISUAL INC DBA AUDIO	20585 Brinson Blvd S			Bend OR	97701	137100	USA

[Small Business Administration – Economic Injury Disaster Loan 2020 Report, [6/30/20](#)]

SERVPRO Franchises Received The PPP Funds Although Business Has Been “Booming” During The Pandemic, With Blackstone’s Help.

Blackstone’s Own Website Has Stated, “Blackstone Has Been Connecting Firms Looking For Deep-Cleaning Services With Its SERVPRO Business.” “Blackstone has been connecting firms looking for deep-cleaning services with its ServPro business, while procurement teams have been helping its portfolios companies source masks, safety glasses and other personal protective equipment.” [Bloomberg, [03/23/20](#)]

SERVPRO’s Biohazard Cleaning Business Could Double To As Much As \$300 Million Due To COVID-19. “The company, which had sales of about \$3 billion last year, figures biohazard cleaning – such as sanitizing a cruise ship after an outbreak of illness – constituted only about 5% of its business then, or \$150 million. Sooker said he expects COVID-19-related cleaning alone to bring in at least \$250 million to \$300 million this year.” [Reuters, [07/06/20](#)]

SERVPRO COO On The Increase In Deep Cleaning Business: “We’ve Always Done Biohazard Cleaning, But Never At This Scale.” “Servpro Industries LLC has completed 10,000 coronavirus-related deep cleaning operations in the last 90 days, according to Chief Operating Officer John Sooker. ‘We’ve always done biohazard cleaning, but never at this scale.’” [Reuters, [07/06/20](#)]

Among Cleaning Companies “Overwhelmed” By Demand, SERVPRO of Mobile County, Alabama Said It “Cleaned More Than 1.5 Million Square Feet For More Than 100 Clients,” With Business Accelerating In April 2020. “MOBILE, Ala. (WPML) — Local cleaning companies have been overwhelmed with business providing both preventative and post-exposure cleaning for COVID-19. SERVPRO of Mobile County said according to their last calculation a couple of weeks ago, they had cleaned more than 1.5 million square feet

for more than 100 clients. SERVPRO of Mobile County Co-Owner T. John Mayhall said requests for COVID-19 cleaning services really picked up in April.” [NBC 15, [07/18/20](#)]

June 29, 2020: “Business Is Booming For SERVPRO Of Brown County,” Wisconsin. “GREEN BAY, Wis. (WBAY) -Several local businesses are bringing in professional cleaners to disinfect their properties after employees tested positive for COVID-19. [...] Business is booming for SERVPRO of Brown County. In addition to the regular cleanup and restoration work the company does, it’s seeing an increase in calls for COVID-19 cleanup.” [WBAY, [06/29/20](#)]

During The Pandemic, 50 Of SERVPRO’s Subcontracted Workers Got COVID-19 After They Alleged “Subhuman” And “Dangerous” Conditions—Meanwhile A SERVPRO Spokeswoman Claimed The Safety Of Employees And Subcontractors Alike Is “Always Priority No. 1.”

HEADLINE: 50 Immigrants Helping Michigan Flood Recovery Got Coronavirus, Allege Safety Was Neglected. [Detroit Free Press, [07/21/20](#)]

A SERVPRO Franchise Was Hired To Clean Up Flood-Damaged Medical Facilities In Michigan—The Franchise Then Subcontracted With Another Firm To Bring In 200 Legal Immigrant Workers To Perform The Work. “When Marali Rubio arrived in Michigan the last week of May, the immigrant from Venezuela was eager to help the Midland area recover from its flood by cleaning up buildings. But the 50-year-old woman from Florida and others said they grew concerned when they were not provided adequate safety equipment, social distancing rules, and were crowded into hotel rooms, two for each bed. [...] Rubio was one of about 200 legal immigrant workers who arrived from Texas and Florida to work in MidMichigan Medical Center — Midland, which had hired a company to bring laborers to clean up their buildings, including a morgue with bodies and body parts.” [Detroit Free Press, [07/21/20](#)]

- **SERVPRO Subcontracted The Work To BTN Services Of Houston.** “The Midland hospital, a part of the University of Michigan health system, had hired Servpro, a Tennessee-based company that does cleanups and restoration, to get the workers; a Servpro franchise based in Michigan worked with the hospital, Soni said. Servpro then subcontracted with BTN Services of Houston. The workers also cleaned buildings at other locations, including Northwood University in Midland, said Resilience Force.” [Detroit Free Press, [07/21/20](#)]

The Subcontracted Workers Were Exposed To Allegedly “Subhuman” And “Dangerous” Conditions Without Proper Safety Precautions And Were “Crowded” Together In Hotels. “‘These are subhuman conditions and no one deserves them,’ Soni told the Free Press. ‘They’re also dangerous conditions. These workers weren’t provided N95 masks. Their temperatures weren’t checked daily as it should have been. They were crowded into hotels, despite CDC guidance saying they shouldn’t be, and they contracted COVID-19. They were treated as disposable. The conditions were ... deplorable.’” [Detroit Free Press, [07/21/20](#)]

The Workers Were Concerned That They Were Exposed To COVID-19-Infected Bodies In A Morgue They Had To Work In. “The workers worried that ‘the morgue had been contaminated from people who had been infected by COVID,’ said Rubio, who is now recovering after testing positive for the coronavirus. She recalls seeing baskets with organs inside the hospital morgue.” [Detroit Free Press, [07/21/20](#)]

SERVPRO Claimed, The Health And Safety Of Employees And Subcontractors Alike Is “Always Priority No. 1.” “In a statement to the Free Press, Servpro said it has a strong record of safety. ‘The health and safety of workers on the job site, whether Servpro franchise employees or subcontractor employees, is always priority No. 1,’ Servpro spokeswoman Kim Brooks said.” [Detroit Free Press, [07/21/20](#)]

Blackstone’s CEO, Chairman, And Co-Founder Is A “Close Friend And Advisor” To Trump (Including During The Pandemic), A High-Dollar Trump Donor, And A Frequent Guest At Trump Events.

Stephen A. Schwarzman Is “Chairman, CEO & Co-Founder” Of Blackstone, “One Of The World’s Leading Investment Firms With \$571 Billion Assets Under Management.” [[“Stephen A. Schwarzman,”](#) Blackstone, accessed 04/15/20]

Blackstone Is “A Leading Global Investment” Firm Active In Private Equity, Hedge Funds, Real Estate, And Other Sectors. “Blackstone is a leading global investment business investing capital on behalf of pension funds, large institutions and individuals. Our mission is to create long-term value for our investors through the careful stewardship of their capital. We invest across the alternative asset classes in private equity, real estate, credit and hedge funds as well as in infrastructure, life sciences, insurance, and growth equity. Our efforts and capital grow hundreds of companies and support local economies.” [[Home](#), Blackstone, accessed 04/15/20]

Stephen Schwarzman Is “A Close Friend And Adviser To Trump” And Was Chair Of Trump’s Now-Defunct Strategic And Policy Forum. “Schwarzman is a close friend and adviser to Trump, and served as the chair of his Strategic and Policy Forum until it fell apart in the wake of the Charlottesville neo-Nazi rally, in which Trump famously praised ‘very fine people, on both sides.’” [Ryan Grim, [“A Top Financier Of Trump And McConnell Is A Driving Force Behind Amazon Deforestation,”](#) *The Intercept*, 08/27/19]

Stephen Schwarzman Has Given About \$950,000 To Donald Trump’s Inauguration And Reelection Campaign Since 2017. “Since 2017, Schwarzman has given \$250,000 to Trump’s inauguration committee and about \$700,000 to a joint fundraising committee supporting Trump’s reelection campaign, federal filings show.” [Carol D. Leonnig, Jonathan O’Connell, and Michelle Ye Hee Lee, [“Private equity angles for piece of stimulus windfall,”](#) *The Washington Post*, 04/06/20]

Stephen Schwarzman “Has Been A Frequent Guest At Trump Fundraisers And White House Events And A Top Adviser To The President On China.” [Carol D. Leonnig, Jonathan O’Connell, and Michelle Ye Hee Lee, [“Private equity angles for piece of stimulus windfall,”](#) *The Washington Post*, 04/06/20]

Steven Schwarzman “Offered Advice To Trump And Vice President Pence On A Conference Call” Just “Days Before The Passage Of The \$2 Trillion Stimulus Package.” “More broadly, top private-equity leaders have given Trump counsel as the coronavirus pandemic has shaken the economy. Days before the passage of the \$2 trillion stimulus package, an elite group of financiers — including the heads of two major private-equity firms, Blackstone Group and Vista Equity — offered advice to Trump and Vice President Pence on a conference call, according to people familiar with the discussion.” [Carol D. Leonnig, Jonathan O’Connell, and Michelle Ye Hee Lee, [“Private equity angles for piece of stimulus windfall,”](#) *The Washington Post*, 04/06/20]

Stephen Schwarzman Was Named To The White House’s “Great American Economic Revival” Industry Group On Financial Services. “Today, President Donald J. Trump announced many of the esteemed executives, economists, scholars, and industry leaders who together will form various Great American Economic Revival Industry Groups. These bipartisan groups of American leaders will work together with the White House to chart the path forward toward a future of unparalleled American prosperity. [...] Financial Services [...] Blackstone – Stephen Schwarzman” [The White House, [04/14/20](#)]

Donald Trump’s “Great American Economic Revival Industry Groups” To Reopen The Economy Were Heavily Stocked With Top Executives Who Had Given A \$467 Million To Republican Campaigns And Conservative Groups Since The 2016 Election Cycle. “President Donald Trump is enlisting business leaders — including many of his top donors — to help guide the White House through its attempt to gradually reopen parts of the economy shuttered by the coronavirus pandemic. The White House published a list of executives this week dubbed ‘Great American Economic Revival Industry Groups’ who will be asked to join conference calls with the president on how to reopen the economy. The list includes dozens of Trump donors and several major benefactors to Republican candidates.” [OpenSecrets, [04/17/20](#)]

- **“Members Of The New Task Force And Their Spouses Gave A Combined \$467 Million To Republican Candidates And Conservative Groups Since The 2016 Election Cycle, According To Contribution Data From OpenSecrets.”** [OpenSecrets, [04/17/20](#)]

As Of July 26, 2020, Blackstone Employees Had Given \$21.5 Million In Political Contributions During 2020 Cycle, Mostly To Republican Campaigns And Conservative Groups. “Employees of New York-based Blackstone Group Inc., the world’s largest private-equity firm, have shelled out the most on the 2020 elections, spending \$21.5 million, mostly in favor of Republican candidates and conservative groups, according to the Center for Responsive Politics.” [Wall Street Journal, [07/26/20](#)]

Companies Tied To Jared Kushner Received PPP Funding Total As Much As \$6.3 Million

SUMMARY: Intended to be a lifeline for small businesses during the COVID-19 crisis, as much as \$6.3 million in Paycheck Protection Program funding instead went to five portfolio companies of venture capitalist firm Thrive Capital, which was founded and continues to be managed by Trump in-law Joshua Kushner.

Thrive is closely tied to Trump son-in-law and adviser, Jared Kushner, who in 2017 disclosed as much as over \$17 million in income from Thrive entities, some of which he also served as a board or investment committee member for. Thrive has also invested at least twice in Cadre, a [controversial real-estate firm](#) that the Kushner brothers co-founded, and that Jared [recently changed course](#) on divesting from. Jared Kushner disclosed Cadre was worth up to [\\$50 million](#) in 2019.

Portfolio Companies Of Joshua Kushner’s Thrive Capital Received As Much As \$6.35 Million In PPP Funding.

Jared Kushner’s Brother, Josh Kushner, Founded Thrive Capital Management, An Investment Firm

Joshua Kushner Founded And Managed Thrive Capital Management. [Crunchbase, Joshua Kushner, Accessed [7/15/20](#)]

- **Joshua Kushner Was The Brother Of Trump’s Son-In-Law Jared Kushner.** “Thrive Capital Management, founded by the brother of presidential adviser and Donald Trump’s son-in-law Jared Kushner, is leading a \$35 million fundraising round for LeafLink, a New York-based online marketplace for wholesale buyers and sellers of cannabis.” [Bloomberg, [8/7/19](#)]

“Thrive Capital Is A Venture Capital Investment Firm Focused On Internet And Software Investments.”

“Thrive Capital is a venture capital investment firm focused on internet and software investments. Since its founding, Thrive has raised from institutional investors, including Princeton University, Wellcome Trust, and Hall Capital. According to a profile in Forbes, Thrive was one of three firms (joining Sequoia Capital and Greylock Partners) to invest in Instagram’s \$50 million Series B round at a valuation of \$500 million. Forbes wrote that after Instagram sold to Facebook, ‘Thrive had doubled its money in 72 hours.’” [Crunchbase, Thrive Capital, Accessed [7/15/20](#)]

Jared Kushner Had Ties To Various Thrive Entities, Including One That Controlled A Controversial Health Care Firm

Jared Kushner Reported Being On The Board Or Investment Committee Of Thrive Capital Partners LLC, Thrive Capital Partners II, LP, And Thrive Capital Partners III, LP From The Early 2010’s To January 2017. [Office of Government Ethics, Public Financial Disclosure Report (OGE Form 278e), Jared C Kushner, [2019](#)]

- **2017: Kushner Reported Receiving As Much As Over \$17 Million In Income Related To Thrive.** [Office of Government Ethics, Public Financial Disclosure Report (OGE Form 278e), Jared C Kushner, [2017](#)]

The Kushner Brothers Owned Thrive Partners III GP LLC, Which Controlled Oscar Health. “A 2013 examination of Oscar conducted by the New York State Department of Financial Services produced a report that detailed the firm’s corporate structure. It stated that Oscar, which was incorporated in New York, was owned by Mulberry Health Inc., a Delaware corporation, which in turn was mostly owned by Thrive Capital Partners III LP, a Delaware limited partnership, which itself was owned by Thrive Partners III GP LLC, a Delaware limited liability corporation and other unnamed parties. And who owned Thrive Partners III GP LLC? Jared Kushner and his brother, Joshua Kushner.” [Mother Jones, [3/17/20](#)]

- **Mother Jones HEADLINE: “Jared Kushner Once Controlled a Firm Now Running a Coronavirus Testing Website”** [Mother Jones, [3/17/20](#)]

Thrive Capital Was Invested In Jared And Joshua Kushner’s Real-Estate Firm, Cadre, Which Kushner Recently Changed Course On Divesting From.

Jared And Joshua Kushner Co-Founded Cadre. “Williams is a Louisiana native who has always been entrepreneurial. When he was twelve he started a sports tech company and sold it during his freshman year at Harvard, where he met his Cadre co-founder, Joshua Kushner. Kushner is also the cofounder of health insurance startup Oscar and runs a startup investment firm, Thrive Capital. His brother Jared Kushner, who owns the New York Observer and runs his family’s real estate business Kushner Properties, is the third Cadre co-founder.” [Business Insider, [6/23/16](#)]

- **2019: Jared Kushner Reported Cadre Was Worth Between \$25,000,001 To \$50M.** [Office of Government Ethics, Public Financial Disclosure Report (OGE Form 278e), Jared C Kushner, [2019](#)]

2015-17: Thrive Capital Twice Invested In Cadre During Funding Rounds That Raised \$83.3M. [Crunchbase, Series A – Cadre, [3/24/15](#), Series C – Cadre, [6/6/17](#)]

July 15, 2020, CNBC HEADLINE: “Jared Kushner Decides Not To Divest From Real Estate Tech Start-Up He Co-Founded — For Now” [CNBC, [7/15/20](#)]

- **March 5, 2020, New York Times HEADLINE: “Jared Kushner Selling Stake in Firm That Pursued Federal Tax Break”** [New York Times, [3/5/20](#)]

At Least Six Of Thrive Capital's Portfolio Companies Received Up To \$6.35 Million Combined In PPP Funding.

DATE	RECIPIENT	# OF THRIVE INVESTMENTS	WAS THRIVE EVER LEAD INVESTOR?	ROUND FUNDING*	PPP RANGE
4/27/20	Welkin Health, Inc.	<u>3</u>	<u>Y</u>	\$8,000,000	\$1M to \$2M
4/14/20	Dwolla, Inc.	<u>1</u>	N	N/A	\$1M to \$2M
4/13/20	Morty, Inc.	<u>2</u>	<u>Y</u>	\$3,000,000	\$350K to \$1M
4/14/20	Imbellus, Inc	<u>3</u>	<u>Y</u>	\$4,200,000	\$350K to \$1M
4/6/20	Long Game Savings, Inc.	<u>2</u>	N	N/A	\$150K to \$350K
TOTALS				\$15.2M	\$2.85M To \$6.35M

*Represents the total investment amount in funding rounds where Thrive Capital was lead investor.

[Department of the Treasury, SBA Paycheck Protection Program Loan Level Data, Accessed [6/7/20](#)]

An Investment Firm Receiving PPP Funding Was Connected To Softbank CEO And Trump Ally Masa Son, Who Had Lent Money To Kushner Firms In The Past

Shell Company Fortress Value Acquisition Corp Disclosed A Rare Earth Mining Company They Were Planning To Merge With Had Received \$3.4 Million In PPP Funding

July 15, 2020: MP Materials, Owner Of Rare Earth Mining Site Mountain Pass, Announced An Agreement To Merge With Fortress Value Acquisition Corp., Sponsored By An Affiliate Of Fortress Investment Group LLC. “MP Materials, owner and operator of Mountain Pass, the only rare earth mining and processing site of scale in North America, today announced a definitive agreement to merge with Fortress Value Acquisition Corp. (NYSE: FVAC), a special purpose acquisition company sponsored by an affiliate of Fortress Investment Group LLC ('Fortress').” [MP Materials via BusinessWire – Press Release, [7/15/20](#)]

The Combined Entity Of MP Materials And Fortress Value Acquisition Corp. Was Valued At \$1.5 Billion. “US-based rare earth miner MP Materials has signed a merger agreement with Fortress Value Acquisition, a special purpose acquisition company sponsored by an affiliate of Fortress Investment Group, to create a combined entity valued at \$1.5bn. The combined company, which will be named MP Materials Corp. upon completion of the deal, will have more than \$500m in net cash to fund future growth strategy.” [NS Energy, [7/16/20](#)]

April 16, 2020: Fortress Value Acquisition Corp. Said “We Obtained” \$3.4 Million In PPP Funding. “On April 16, 2020, we obtained a loan of \$3.4 million pursuant to the Paycheck Protection Program (the 'PPP') under Division A, Title I of the CARES Act, which was enacted on March 27, 2020.” [SEC – Fortress Value Acquisition Corp. S-4, [8/26/20](#)]

- **In The Same Document, It Is Clarified That MP Materials Was The Entity That Received \$3.4 Million In PPP Funding.** “On April 16, 2020, MPMO obtained a loan of approximately \$3.4 million pursuant to the Paycheck Protection Program (the 'PPP') under Division A, Title I of the CARES Act, which was enacted on March 27, 2020.” [SEC – Fortress Value Acquisition Corp. S-4, [8/26/20](#)]

On Its Website, Fortress Value Acquisition Corp. Described Itself As A “Blank Check Company” Formed For A Merger Or Related Business Purpose. “Fortress Value Acquisition Corp. is a newly incorporated blank check company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses.” [Fortress Value Acquisition Corp – “About,” accessed [9/1/20](#)]

The Shell Company Was Sponsored Through An Affiliate By Fortress Investment Group, An Investment Firm With Over \$45.5 Billion In Assets

Fortress Value Acquisition Corp. Was “Sponsored” By An Affiliate Of Fortress Investment Group LLC.

“Fortress Value Acquisition Corp. is a newly incorporated blank check company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. [...] Our sponsor is Fortress Acquisition Sponsor LLC, an affiliate of Fortress Investment Group LLC (‘Fortress’).” [Fortress Value Acquisition Corp – “About,” accessed [9/1/20](#)]

Fortress Investment Group Described Itself As A “Highly Diversified Global Investment Manager” With Approximately \$45.5 Billion In Assets Representing Over 1,700 Clients.

“Fortress Investment Group LLC is a leading, highly diversified global investment manager with approximately \$45.5 billion(1) of assets under management as of June 30, 2020. Founded in 1998, Fortress manages assets on behalf of over 1,700 institutional clients and private investors worldwide across a range of credit and real estate, private equity and permanent capital investment strategies.” [Fortress Investment Group, accessed [9/1/20](#)]

Softbank CEO Masa Son Purchased Fortress Investment Group For \$3.3 Billion

February 2017: Softbank Entered Into A Definitive Merger Agreement To Purchase Fortress Investment Group For Approximately \$3.3 Billion In Cash.

“SoftBank Group Corp. (‘SoftBank’ or ‘SBG’) and Fortress Investment Group LLC (NYSE:FIG) (‘Fortress’) today announced that they have entered into a definitive merger agreement under which SoftBank will acquire Fortress for approximately \$3.3 billion in cash.” [Fortress Investment Group – Press Release, [2/14/17](#)]

Masa Son Met With Trump And Addressed The Media With Him During The Presidential Transition, And Later Appeared With Trump At A Political Event In Wisconsin

Masa Son Appeared With Trump And Addressed The Media At Trump Tower During The Transition

Period. “SoftBank CEO Masayoshi Son pledged to invest \$50 billion in the U.S. and create 50,000 new jobs after a meeting with President-elect Donald Trump. They addressed the media at Trump Tower in New York on Tuesday. [...] Masayoshi Son, the brash billionaire who controls Sprint Corp., said Tuesday he would invest \$50 billion in the U.S. and create 50,000 new jobs, following a 45-minute private meeting with President-elect Donald Trump.” [Wall Street Journal, [12/7/16](#)]

June 2018: Masa Son Was Brought On Stage By Donald Trump During An Economic Event, Where Son Spoke.

“Trump to SoftBank Group CEO Masayoshi Son: ‘Masa are you back there? Come. Come... Come on up here Masa if you can understand what I’m saying. Come here.’” [Twitter - @thecontemptor, [6/28/18](#)]
(VIDEO)

Softbank Companies (Including Fortress Investment Group) Have Been Involved With Loans And Purchases Involving Companies Linked To Jared Kushner

October 2017: Softbank’s Fortress Investment Group Lent \$57 Million To Kushner Companies For A Long-Delayed Development Site In Jersey City.

“While under contract to be acquired by spendy Japanese investment machine SoftBank, Fortress Investment Group lent \$57 million in pre-construction financing to Kushner Companies for its long-delayed development site at One Journal Square in Jersey City. Barron’s reported that the loan was made in October 2017, after Kushner Companies had borrowed \$22 million in short-term bridge financing from Santander Bank in 2016 and \$22 million from Ladder Capital Finance — President Trump’s second-biggest lender — in 2014.” [The Real Deal, [1/23/18](#)]

Startup Company Cadre, Co-Founded And Partly Owned By Jared Kushner, Sought Investment From SoftBank Vision Fund, Which Gets Much Of Its Funding From The Saudi Arabian Government.

“Cadre, a real estate technology startup co-founded and partly owned by White House senior adviser Jared Kushner, is seeking an investment of at least \$100 million from a private fund that receives much of its capital from the

governments of Saudi Arabia and the United Arab Emirates, according to people familiar with the discussions. A top executive of Cadre, the people said, has met privately in recent months with representatives of the SoftBank Vision Fund, a technology investment vehicle that gets almost half of its \$100 billion from the Saudi government's Public Investment Fund.” [Chicago Tribune, [5/22/20](#)]

Paycheck Protection Program Funds Went To At Least Six Companies Involved In Asset Management

SUMMARY: The Paycheck Protection Program, designed to offer struggling small businesses a lifeline amidst the economic damage brought on by COVID-19, has also provided funds to companies of more questionable immediate need.

- Cohen and Company, Inc. received \$2.1 million through PPP. The investment bank managed nearly \$3 billion in assets, reported an increase in revenues for the first quarter the day it received the PPP loan, and outperformed 85-percent of the market in April and May 2020. Cohen also paid executives over \$2.5 million in compensation in 2019.
- Black Ridge Oil and Gas received \$112,925 in PPP funds, despite the company listing only 5 employees. In 2019, the company profited to the tune of \$9 million.
- Great Elm Capital Group Inc. was a company investing in “debt instruments of middle market companies” to generate returns. The company and paid executives over \$1.3 million in compensation in 2019.
- Bimini Capital Management Inc., an asset manager who listed 7 employees, received \$152,000 in PPP funds. This comes after FY 2019, where the company repurchased \$2.2 million of company stock and paid out over \$3 million in compensation to executives – and made over \$13.2 million.
- US Global Investors, Inc. described itself as a “boutique investment management firm” with \$534.9 million in assets. The company received \$442,000 through PPP in April 2020.
- Manning and Napier, which offers “investment solutions,” stands out as the sole entity to have returned the funds following public outcry. Manning and Napier had received over \$6.7 million in PPP funding at the time they decided to return the funds.

Six Companies That Managed Assets Received Forgivable Paycheck Protection Program Loans – And Only One Has Returned The Money

LOAN DATE	COMPANY	LOAN AMOUNT	EMPLOYEES	NET INCOME	STOCK BUYBACKS	DIVIDENDS	EXEC. COMP.
4/19/20	Manning and Napier, Inc.*	\$6,732,818	307	\$9,857,000	-	\$1,244,000	\$6,087,526
4/24/20	Black Ridge Oil and Gas, Inc.	\$112,925	5	\$9,098,678	-	-	\$654,500
5/4/20	Cohen and Company, Inc.	\$2,165,600	94	-\$3,573,000	\$65	\$519,000	\$2,543,615
4/17/20	Great Elm Capital Group Inc.	\$3,600,000	328	-\$3,132,000	-	-	\$1,357,126
4/13/20	Bimini Capital Management Inc.	\$152,000	7	\$13,299,977	\$2,277,607	-	\$3,036,501
4/12/20	US Global Investors Inc.	\$442,000	24	-\$3,439,000	\$24,000	\$454,000	\$669,000

*Subsequently returned the PPP funds.

Investment Bank Cohen And Company, Inc., That Managed Nearly \$3 Billion In Assets, Received A \$2.2 Million Forgivable PPP Loan

Cohen & Company Received Nearly \$2.2 Million Under The Paycheck Protection Program.

May 4, 2020: Cohen & Company Received \$2,165,600 Through The Paycheck Protection Program. “On May 4, 2020, Cohen & Company, LLC (the ‘Operating LLC’), a Delaware limited liability company and a subsidiary of Cohen & Company Inc., a Maryland corporation, executed a U.S. Small Business Association Note (the ‘PPP Note’), evidencing an unsecured loan in the amount of \$2,165,600 under the Paycheck Protection Program (the ‘PPP Loan’). The Paycheck Protection Program (the ‘PPP’) was established under the Coronavirus Aid, Relief, and Economic Security Act (the ‘CARES Act’) and is administered by the U.S. Small Business Administration (‘SBA’). The PPP Loan was made through Fifth Third Bank, National Association (the ‘Lender’). The PPP Loan was funded on May 5, 2020.” [Securities and Exchange Commission, Cohen & Company Inc., [5/7/20](#)]

Cohen & Company Was An Investment Bank That Managed Nearly \$3 Billion In Assets.

Cohen & Company Operated As An Investment Bank With Customers In The U.S., U.K., And France.

“Cohen & Company Inc. operates as an investment bank. The Company manages credit fixed income investments through public and private investment companies, separately managed accounts, alternative investments, and debt obligations. Cohen & Company serves customers in the United States, France, and the United Kingdom.” [Bloomberg, Accessed [5/8/20](#)]

Cohen & Company Managed \$2.8 Billion In Assets. “Through its Asset Management business, Cohen & Company has approximately \$2.8 billion in assets under management.” [Cohen & Company, Accessed [5/8/20](#)]

- **Assets Included “Debt Issued By European, U.S., And Bermudian Insurance Companies.”** “Our portfolio management teams specialize in a variety of innovative investment vehicles organized along asset

classes including debt issued by European, U.S. and Bermudian insurance companies.” [Cohen & Company, Accessed [5/8/20](#)]

The Same Day The Company Announced Its PPP Grant, It Reported Its Q1 Revenues Increased \$1.7 Million.

May 8, 2020: Cohen & Company Announced It Received \$2.2 Million In PPP Money. “The Company has applied for and received a \$2.2 million loan under the Paycheck Protection Program (PPP) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act.” [Global Newswire, Cohen & Company Inc. Press Release, [5/8/20](#)]

May 8, 2020: Cohen & Company Announced Revenue Increased \$1.7 Million In Q1 2020, Up \$6.6 Million From Q1 2019. “Revenues during the three months ended March 31, 2020 increased \$1.7 million from the prior quarter and \$6.6 million from the prior year quarter.” [Global Newswire, Cohen & Company Inc. Press Release, [5/8/20](#)]

April And May 2020: Cohen & Company Stock Surged, Outperforming 85% Of The Market

May 5, 2020: News Bites Finance HEADLINE: “Cohen & Company (COHN:USD4.10) Outperforming 85% Of Stocks” [News Bites Finance, 5/5/20]

April 24, 2020: News Bites Finance HEADLINE: “Stock Weekly: Cohen & Company Keeps Rising: Up 28.4% In 3 Weeks” [News Bites Finance, 4/24/20]

April 28, 2020: News Bites Finance HEADLINE: “Afternoon Alert: Cohen & Company In 5th Consecutive Rise, Nears Two-Month High” [News Bites Finance, 4/28/20]

Cohen & Company Ended 2019 With Over \$8 Billion In Assets And \$8.3 Million In Cash, And Nearly \$50 Million In Total Revenue.

2019: Cohen & Company Reported \$8,001,624,000 In Total Assets. [Securities and Exchange Commission, Cohen & Company Inc., Form 10-K, [3/6/20](#)]

2019: Cohen & Company Reported \$8,304,000 In Cash And Cash Equivalents. [Securities and Exchange Commission, Cohen & Company Inc., Form 10-K, [3/6/20](#)]

2019: Cohen & Company Reported \$49,666,000 In Total Revenue. [Securities and Exchange Commission, Cohen & Company Inc., Form 10-K, [3/6/20](#)]

2019: Cohen & Company Paid Out More Than \$2.5 Million In Executive Compensation.

2019: Cohen & Company Paid Out More Than \$2.5 Million In Executive Compensation. [Securities and Exchange Commission, Cohen & Company Inc., DEF 14A, [5/1/20](#)]

Asset Manager Bimini Capital Management Inc. Received A \$152,000 Forgivable PPP Loan

Bimini Capital Management Said It Was An Asset Manager Investing In Residential Mortgage-Related Securities. “Bimini Capital Management, Inc. (OTCQB: BMNM) is an asset manager that invests primarily in residential mortgage-related securities issued by the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Government National Mortgage Association (Ginnie Mae).” [Bimini Capital Management – “Investor Relations,” accessed [6/12/20](#)]

April 13, 2020: Bimini Capital Management Inc. Received \$152,000 Through The Paycheck Protection Program. “In addition, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which will provide billions of dollars of relief to individuals, businesses, state and local governments, and the health care system suffering the impact of the pandemic, including mortgage loan forbearance and modification programs to qualifying borrowers who may have difficulty making their loan payments. On April 13, 2020, the Company received \$152,000 through the Paycheck Protection Program of the CARES Act in the form of a low interest rate loan.” [SEC – Bimini Capital Management Inc. 8-K Exhibit 99.1, [5/14/20](#)]

Bimini Capital Management Made Nearly \$13.3 Million In Net Income In 2019.

[SEC – Bimini Capital Management, Inc. 10-K, [3/27/20](#)]

Black Ridge Oil And Gas, Who Made \$9 Million In Profits In 2019, Received A \$112,925 Forgivable PPP Loan

Black Ridge Oil And Gas Was A “Growth-Oriented Asset Manager.” “Black Ridge Oil & Gas is a growth-oriented asset manager and was the sponsor of Black Ridge Acquisition Corp. On August 9, 2019, Black Ridge Acquisition Corp. became Allied Esports Entertainment, Inc. (NASDAQ: AESE).” [Black Ridge Oil & Gas, accessed [6/12/20](#)]

Black Ridge Oil And Gas Received \$112,925 Through The Paycheck Protection Program. “On April 24, 2020 Black Ridge Oil & Gas, Inc. (the ‘Company’) entered into a loan agreement with Kensington Bank (‘Kensington’), as lender (the ‘Loan Agreement’) encompassing a \$112,925 Promissory Note issued to Kensington (the ‘PPP Note’) pursuant to Payroll Protection Program established as part of the Coronavirus Aid, Relief, and Economic Security Act (the ‘CARES Act’), which provides loans to qualifying businesses and is administered by the U.S. Small Business Administration (the ‘SBA’). The PPP Note bears interest at 1.00% per annum, payable monthly beginning November 24, 2020, and is due on April 24, 2022. The PPP Note may be repaid at any time without penalty.” [SEC – Black Ridge Oil and Gas, [4/27/20](#)]

Black Ridge Oil And Gas Made \$9 Million In Net Income In 2019. [SEC – Black Ridge Oil and Gas 10-K, [4/27/20](#)]

US Global Investors Inc. Received A \$442,000 Forgivable PPP Loan

US Global Investors, Inc. Described Themselves As A “Boutique Investment Management Firm,” Having \$534.9 Million In Assets, With Expertise In Gold And Precious Metals, Natural Resources And Emerging Markets. “U.S. Global Investors, Inc. (Nasdaq: GROW) is a boutique investment management firm specializing in actively managed equity and bond strategies, and has a longstanding history of expertise in gold and precious metals, natural resources and emerging markets. The company and its subsidiaries reported average assets under management of \$534.9 million for the quarter ended March 31, 2020.” [US Global Investors – “Investor Relations,” accessed [6/12/20](#)]

April 12, 2020: US Global Investors Inc. Received \$442,000 Through The Paycheck Protection Program. “Effective April 12, 2020, the Company was approved for a loan of approximately \$442,000 under the Paycheck Protection Program (‘PPP’) under the CARES Act. The application for this loan required the Company to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Company.” [SEC – US Global Investors Inc. 10-Q, [5/14/20](#)]

Great Elm Capital Group Inc. Invested In “Debt Instruments Of Middle Market Companies” And Received A \$3.6 Million Forgivable PPP Loan

Great Elm Capital Corporation Invested In “The Debt Instruments Of Middle Market Companies” To Generate Attractive Risk-Adjusted Returns. “Great Elm Capital Corp. is an externally-managed business

development company that invests in the debt instruments of middle market companies. We have elected to be regulated as a business development company, or BDC, under the Investment Company Act of 1940, as amended. Our stock is traded on NASDAQ under the ticker symbol 'GECC'. GECC's investment objective is to generate attractive risk-adjusted returns through both current income and capital appreciation. We invest primarily in the debt of private, middle-market companies with a focus on catalyst-driven opportunities." [Great Elm Capital Corporation – "About," accessed [6/12/20](#)]

April 17, 2020: Great Elm Capital Corporation Received \$3,600,000 Through The Paycheck Protection Program. "On March 27, 2020, the President of the United States passed into law the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Section 1102 of the CARES Act, the Paycheck Protection Program Loan (PPP Loan) provided additional funding for small businesses, as defined by the Small Business Act, to keep workers employed during through the COVID-19 crisis. In April 2020, our 80.1% owned subsidiary Great Elm DME, Inc. applied for and received \$3.6 million in PPP Loans. These loans accrue interest at 1% per annum, are due April 17, 2022 and uses of proceeds can only be used for specified covered purposes including payroll, rent and utilities in accordance with the CARES Act." The loan receipt date was based on the loan due date of April 17, 2022, as PPP loans have two years to mature. [SEC – Great Elm Capital Corporation 10-Q, [5/11/20](#)]

Manning And Napier Received A \$6.7 Million Forgivable PPP Loan Before Deciding To Return The Money Following Public Outcry

Manning & Napier Advertised A Broad Range Of Investment Solutions And Consultative Services. "Manning & Napier (NYSE: MN) provides a broad range of investment solutions through separately managed accounts, mutual funds, and collective investment trust funds, as well as a variety of consultative services that complement our investment process." [Manning & Napier – "Investor Relations," accessed [6/15/20](#)]

April 19, 2020: Manning And Napier Received \$6,732,818 Through The Paycheck Protection Program. "On April 19, 2020, two subsidiaries of Manning & Napier, Inc. (the 'Company') each entered into a promissory note (the 'Promissory Notes') with M&T Bank which provide for aggregate loan proceeds of \$6,732,818 (the 'PPP Loans') pursuant to the Paycheck Protection Program under the Coronavirus Aid, Relief, and Economic Security Act (the 'CARES Act'). Manning & Napier Advisors, LLC entered into a promissory note with M&T Bank which provides for a \$6,637,240 loan and Rainier Investment Management, LLC entered into a promissory note with M&T Bank which provides for a \$95,578 loan." [SEC – Manning & Napier Inc. 8-K, [4/22/20](#)]

New York Times: Manning And Napier, Inc. Returned PPP Funds Following Public Outcry. "And Manning & Napier, an investment firm in Fairport, N.Y., that has about \$20 billion in assets under management, disclosed in March that its chief executive, Marc O. Mayer, earned nearly \$5 million last year. On April 19, the company was approved for \$6.7 million in the paycheck protection loans — even as the company said it would pay out a quarterly dividend to its shareholders. Last week, amid mounting public anger toward large recipients of the rescue loans, Manning & Napier said it had decided not to take the money." [New York Times, [4/26/20](#)]

Private Equity Firms Lobbied The Trump Administration For Easier Access To PPP Funds – And Changed Their Own Business Arrangements To Find Loopholes And Meet Existing Standards.

The Venture Capital Industry Asked The Trump Administration For Easier Access To PPP...

Amid Questions Over Whether Firms Backed By Venture Capital Could Access PPP Loans, The Industry Directly Asked The Trump Administration For Relief On The Program's Employee Thresholds. "The 'Paycheck Protection Program' ('PPP'), a loan initiative designed to provide funds to small businesses as they ride out the COVID-19 storm. And a critical sector of the economy is asking one very important question:

Do venture capital (“VC”)- and private equity (“PE”)-backed companies qualify for PPP loans? [...] The Association for Corporate Growth (ACG) recently sent a letter to U.S. Secretary of the Treasury Stephen Mnuchin and U.S. SBA Administrator Jovita Carranza, urging relief on this issue. In that letter, the ACG explained: Current rules would force these companies [with private equity backers] to aggregate the employees of all of the unrelated companies in which their investors are affiliated and count them in their employee count, pushing many above the 500-employee threshold. Private equity firms and private family offices alike, have on average of a dozen companies in their portfolios. Under the current affiliation rules, all of these firms would be aggregated, pushing the total number of employees over the 500 mark in many instances, even though each startup is a separate entity. The current affiliation exemption in the CARES Act does not address this.” [Forbes, [04/10/20](#)]

...Pushed The SBA To Waive PPP Rules On Companies Owned By Larger Firms, Leading Senator Elizabeth Warren To Demand That The Industry Disclose Its Lobbying To Access PPP And Other Pandemic Relief...

April 9, 2020: The Private Equity Industry Was Reportedly Trying To Access The Paycheck Protection Program (PPP), Pushing The Small Business Administration To Waive Rules Blocking Small Businesses “That Are Controlled By Large Parent Companies.” “There are several pots of federal money that the private-equity industry is lobbying to access. (And not all private-equity firms care equally about all of the programs.) One is the so-called Paycheck Protection Program (PPP), set up to make \$349 billion in government-guaranteed loans available to businesses with fewer than 500 employees. The problem is, existing rules at the Small Business Administration, which is overseeing the program, have been widely interpreted as excluding loaning money to most mom-and-pop businesses that are controlled by large parent companies—including private-equity firms. So private equity is pushing to waive those rules, arguing that small firms should not be penalized for having been bought out by big investors. (Many of the companies owned by mammoth private-equity firms like Blackstone are too big on their own to qualify for this bucket of money.)” [Bethany McLean, “[Too Big to Fail, COVID-19 Edition: How Private Equity Is Winning the Coronavirus Crisis](#),” *Vanity Fair*, 04/09/20]

Sen. Elizabeth Warren Asked The Private Equity Industry Trade Group The American Investment Council To Disclose Any Lobbying It Had Done To Access Pandemic Relief And Exploit The Crisis. “More recently, Sen. Elizabeth Warren (D., Mass.) sent a letter to industry trade group the American Investment Council, asking the organization to disclose lobbying records of its attempts to unlock coronavirus-relief funds and expressing concern that buyout firms could be trying to exploit the economic crisis caused by the pandemic.” [Wall Street Journal, [07/07/20](#)]

...And Ultimately Found Ways To Dodge PPP’s Restrictions By Adjusting Their Ownership Arrangements With Portfolio Companies And Modifying Existing Contracts.

Although Private Equity Was “Broadly Excluded” From The PPP, “Dozens Found Ways To Steer Around The Restrictions, Often Adjusting Governance Or Ownership Arrangements With Portfolio Companies.” “After the government broadly excluded private equity firms from the program, dozens found ways to steer around the restrictions, often adjusting governance or ownership arrangements with portfolio companies in sectors including entertainment, fitness, sports and dermatology, the people said, asking not to be named discussing confidential arrangements.” [Bloomberg, [07/02/20](#)]

- **Most Private Equity-Backed Companies “Appeared To Be Disqualified” By Rules Prohibiting PPP Loans To Borrowers With More Than 500 Employees.** “But most companies backed by buyout firms appeared to be disqualified by rules against lending to borrowers with more than 500 employees, unless they met SBA standards for larger firms.” [Bloomberg, [07/02/20](#)]
- **One Industry Lawyer Said She Saw Many Companies Negotiating Modifications To The Venture Capital Contracts In Order To Access PPP Loans More Easily.** “Caroline Cherkassky, a partner at

Sherman Oaks-based law firm Stubbs Alderton & Markiles. [...] To avoid these issues and access critical PPP funding, Cherkassky said she has seen many companies negotiating amendments to their contracts with VC sponsors. The attorney added the April scramble to address these concerns has been followed by more success in the second round of PPP.” [Los Angeles Business Journal, [05/25/20](#)]

The Private Equity Industry Spent Nearly \$92 Million On Political Contributions And \$44 Million On Outside Groups In 2020 Election, Hoping To Stave Off Reforms To Its “Ruthless” Business Model That Puts Profits Before Workers.

As Of Late-July 2020, The Private Equity Industry Spent Nearly \$92 Million On Congressional Races And \$44 Million On Outside Groups, Trying To Maintain Divided Government And Prevent Reforms.

As Of July 26, 2020, Private Equity Industry Employees Spent \$91.7 Million On Congressional Races During The 2020 Election Cycle, With Many Donors Seeking To Prevent Democratic Control Of Both Chambers. “The private-equity industry is pouring millions of dollars into the 2020 elections, with some donors hoping to prevent full Democratic control of Capitol Hill and the potential for tighter oversight of their sector. Employees of private-equity firms and other investment firms, not including hedge funds, spent \$91.7 million on 2020 congressional races and presidential campaigns through July 21, according to the Center for Responsive Politics, a nonprofit group that researches money in politics.” [Wall Street Journal, [07/26/20](#)]

The Industry’s Political Spending Is Approaching The Record \$118 Million It Set In The 2016 Cycle. “With a spending surge in the coming months, the industry could approach the record of almost \$118 million that it spent on the 2016 elections.” [Wall Street Journal, [07/26/20](#)]

Additionally, The Industry Spent \$44 Million On Outside Groups. “The industry has also given more than \$44 million to outside groups, which isn’t reflected in the party breakdown.” [Wall Street Journal, [07/26/20](#)]

Many In The Private Equity Industry Wanted Divided Government To Continue Past 2020, As It Would Make Industry Reform Less Likely. “The erosion of popular support for President Trump since the coronavirus pandemic began has increased the likelihood that Democrats could take control of both the White House and the Senate, while retaining a majority in the House. Many who work in private equity prefer control of the government to remain divided as it would make major overhauls of their industry more difficult, say people who work with buyout firms on government policy.” [Wall Street Journal, [07/26/20](#)]

The Private Equity Industry Faced Scrutiny For A “Ruthless” And “Abusive” Business Model That Puts Profits Before Workers.

The Private Equity Industry Was Criticized For A Business Model That “Often Leads To More Unemployed Workers Because Firms Are Focused On Ruthless Efficiency And Investors’ Bottom Line.” “Critics say the private-equity model often leads to more unemployed workers because firms are focused on ruthless efficiency and investors’ bottom line, rather than long-term growth and workers.” [Carol D. Leonnig, Jonathan O’Connell, and Michelle Ye Hee Lee, “[Private equity angles for piece of stimulus windfall](#),” *The Washington Post*, 04/06/20]

Congress Has Launched Investigations Into The Private Equity Industry And Sen. Elizabeth Warren (D-MA) Has Introduced Legislation To Prevent “Abusive Practices By Buyout Firms.” “Democratic members of Congress have recently launched inquiries into private equity’s investments in the medical-staffing, private-prison and for-profit education industries. Sen. Elizabeth Warren (D., Mass.) last year introduced the Stop Wall Street Looting Act, a bill designed to overhaul what she calls abusive practices by buyout firms.” [Wall Street Journal, [07/26/20](#)]

Private Equity Likely Stood To Profit In The Aftermath Of The COVID-19 Pandemic As They Bought Out Bankrupted Firms.

Bloomberg Reported That Private Equity Firms Were Planning To Spend \$1.5 Trillion In Unused Funds In Profitable Buyouts. “Private equity firms are waiting to put about \$1.5 trillion of unspent money to use. And their bankers are getting impatient. With buyouts down 28% globally this year, according to Bloomberg data, there’s growing optimism among some dealmakers that private equity titans will soon start splashing some cash again. Mark Fedorcik, who leads investment banking at Deutsche Bank AG, said he sees multi-billion dollar leveraged buyouts returning in the second half as credit markets reopen. ‘There’s a very limited pipeline of committed transaction as you get to the fall, so the market will be potentially looking for deals,’ Fedorcik said in a phone interview this week. ‘That will lend itself to banks and other investors to want to do deals.’” [Bloomberg Quint, [8/1/20](#)]

Private Equity Funds With Unused Cashed Were “Scouting For Deals” On Firms That Have Fallen Into Bankruptcy Amidst COVID 19. “Warren’s letter comes as the coronavirus recession has brought the role of private equity in the economy back into the spotlight. Several companies that were acquired through leveraged buyouts, such as Neiman Marcus and J. Crew, have fallen into bankruptcy under the pressure of the economic slowdown. More are expected. Meantime, private equity firms sitting on a record \$1.5 trillion in cash have been scouting for deals in the market as valuations have been clipped.” [CNBC, [6/25/20](#)]

One Week After Multimillion-Dollar Investments And Insider Stock Buys, Trump-Connected Pharma Company Got Nearly \$160,000 In Government Aid Meant For Small Businesses

Cyclo Therapeutics Received Nearly \$160,000 Under The Paycheck Protection Program.

May 4, 2020: Cyclo Therapeutics Received \$158,524 In PPP Money. “On May 4, 2020, Cyclodextrin Technologies Development, Inc., a wholly-owned subsidiary of Cyclo Therapeutics, Inc. (the ‘Company’), borrowed \$158,524 from BBVA USA under the Paycheck Protection Program which was established under the Coronavirus Aid, Relief and Economic Security Act (‘CARES Act’).” [Securities and Exchange Commission, Cyclo Therapeutics, Form 8-K, [5/6/20](#)]

Cyclo Therapeutics Is A Pharma Company Focused On Rare Diseases. “Cyclo Therapeutics, Inc. is a biotechnology company that develops cyclodextrin-based products for the treatment of disease with unmet medical need. The company’s Trappsol® Cyclo™, an orphan drug designated product in the United States and Europe, is in three ongoing formal clinical trials for Niemann-Pick Disease Type C, a rare and fatal genetic disease, (Clinical Trials.gov NCT02939547, NCT02912793 and NCT03893071) and in an Expanded Access program for late-onset Alzheimer’s Disease (NCT03624842).” [Cyclo Therapeutics, accessed [5/7/20](#)]

October 2019: Trump Appointed Cyclo Executive To His Council Of Advisors On Science And Technology.

October 2019: Trump Appointed Cyclo Chief Scientific Officer And Senior Vice President For Medical Affairs To The “President’s Council Of Advisors On Science And Technology.” “Cyclo Therapeutics, Inc. (OTCQB: CTDH), a clinical-stage biotechnology company that develops cyclodextrin-based products for the treatment of diseases with unmet medical need, including Niemann-Pick Disease Type C and Alzheimer’s Disease, today announced that Sharon H. Hrynkow, Ph.D., its Chief Scientific Officer and Senior Vice President for Medical Affairs, has been appointed to the President’s Council of Advisors on Science and Technology (PCAST). On October 22, President Donald J. Trump signed an executive order re-chartering PCAST and announced the first seven members, including Dr. Hrynkow.” [BusinessWire, [10/23/19](#)]

- **The Council “Provides The President With Scientific And Technical Information That Is Needed To Inform Public Policy.”** “The Council provides the President with scientific and technical information that is

needed to inform public policy relating to the American economy, the American worker, national and homeland security, and other topics. The Council includes distinguished individuals from sectors outside of the Federal Government and represents diverse perspectives and expertise in science, technology, education and innovation.” [BusinessWire, [10/23/19](#)]

One Week Before Receiving Nearly \$160,000 In PPP Money, Cyclo Announced \$2 Million In Private Investments.

April 27, 2020: Cyclo Announced \$2 Million In Private Investments. “On April 24, 2020, Cyclo Therapeutics, Inc. (the ‘Company’), completed a private placement of its shares of common stock (‘Common Stock’) to a group of accredited investors that included several directors of the Company and members of management (the ‘Private Placement’). Investors in the Private Placement purchased a total of 20 million shares of Common Stock at a price of \$0.10 per share, resulting in gross proceeds to the Company of \$2,000,000.” [Securities and Exchange Commission, Cyclo Therapeutics, Form 8-K, [4/27/20](#)]

Just Over One Week Before Receiving Nearly \$160,000 In PPP Money, Insiders Began Buying Nearly \$650,000 Worth Of Cyclo Stock .

Cyclo Executives, Directors, And One 10-Percent Owner Purchased \$648,003 Worth Of Cyclo’s Own Stock

April 24, 2020: Cyclo Director William Shanahan Purchased \$100,000 Worth Of Cyclo Stock. [Securities and Exchange Commission, Cyclo Therapeutics, Form 4, [4/27/20](#)]

April 24, 2020: Cyclo Director Francis Ostronic Purchased \$100,000 Worth Of Cyclo Stock. [Securities and Exchange Commission, Cyclo Therapeutics, Form 4, [4/27/20](#)]

April 24, 2020: Cyclo 10 Percent Owner, Novit, L.P., Purchased \$200,000 Worth Of Cyclo Stock. [Securities and Exchange Commission, Cyclo Therapeutics, Form 4, [4/27/20](#)]

April 24, 2020: Cyclo Director Sieger Markus Purchased \$50,000 Worth Of Cyclo Stock. [Securities and Exchange Commission, Cyclo Therapeutics, Form 4, [4/27/20](#)]

April 24, 2020: Cyclo Director Randall Toig Purchased \$100,000 Worth Of Cyclo Stock. [Securities and Exchange Commission, Cyclo Therapeutics, Form 4, [4/27/20](#)]

April 24, 2020: Cyclo CSO Sharon Hrynkow Purchased \$20,000 Worth Of Cyclo Stock. [Securities and Exchange Commission, Cyclo Therapeutics, Form 4, [4/27/20](#)]

April 24, 2020: Cyclo COO Jeffrey Tate Purchased \$5,000 Worth Of Cyclo Stock. [Securities and Exchange Commission, Cyclo Therapeutics, Form 4, [4/27/20](#)]

April 24, 2020: Cyclo CEO Scott Fine Purchased \$73,003 Worth Of Cyclo Stock. [Securities and Exchange Commission, Cyclo Therapeutics, Form 4, [4/27/20](#)]

2019: Cyclo Paid Out More Than \$1.1 Million In Executive Compensation

2019: Cycle Therapeutics Paid Out \$1,128,596 In Executive Compensation. [Securities and Exchange Commission, Cyclo Therapeutics, Form 10-K, [3/30/20](#)]

Four “Golf Entertainment Venues” – Including One Near A Trump International Golf Club - Received Nearly \$5.3 Million In Small Business Relief, Despite The Company Having Tens Of Millions In Assets And Exorbitant Executive Pay

Drive Shack Received Nearly \$5.3 Million In PPP Money For Four “Golf Entertainment Venues” ...

April 2020: Drive Shack Received \$5,276,742 In PPP Money For Four “Golf Entertainment Venues.” “On April 10, 2020, the operating subsidiaries of Drive Shack Inc. (the “Company”) comprising the Company’s four golf entertainment venues in Orlando, FL, Raleigh, NC, Richmond, VA., and West Palm Beach, FL completed a financing with JPMorgan Chase Bank, N.A. (the “Lender”), under the recently enacted Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) administered by the U.S. Small Business Administration consisting of four loans in an aggregate principal amount equal to \$5,276,742.00 (collectively, the “Loans”).” [Securities and Exchange Commission, Drive Shack Inc., Form 8-K, [4/16/20](#)]

- **Drive Shack Was The “Reinvention” Of Company American Golf, Which Owned And Managed Golf Courses.** “Drive Shack is the reinvention of American Golf, better known in the golf industry for managing and owning golf courses.” [Golfweek, [4/22/18](#)]
- **2018: Drive Shack Announced Plans To “Spend As Much As \$300 Million Building Entertainment Facilities Around The Country.”** “Drive Shack still operates golf courses and has announced plans to spend as much as \$300 million building entertainment facilities around the country.” [Golfweek, [4/22/18](#)]

... Despite The Fact It Was Nearly Nine Times The Size Of The Program’s Intended Recipient ...

2019: Drive Shack Employed Around 4,650 People. [Securities and Exchange Commission, Drive Shack Inc., Form 10-K, [3/6/20](#)]

- **Approximately 1,200 Were Employed In The “Entertainment Golf” Segment.** [Securities and Exchange Commission, Drive Shack Inc., Form 10-K, [3/6/20](#)]

PPP Was Primarily Meant For Businesses Under 500 Employees. “The program is primarily intended to benefit small businesses — defined as those with fewer than 500 employees — hurt by the coronavirus pandemic.” [National Public Radio, [4/21/20](#)]

... And Ended 2019 With Nearly \$30 Million In Cash After Paying Out Nearly \$9.6 Million In Executive Compensation The Year Before.

Drive Shack Ended 2019 With \$28,423,000 In Cash And Cash Equivalents. [Securities and Exchange Commission, Drive Shack Inc., Form 10-K, [3/6/20](#)]

2018: Drive Shack Paid Out \$9,558,925 In Executive Compensation. [Securities and Exchange Commission, Drive Shack Inc., Form DEF 14A, [4/18/19](#)]

One Of The Drive Shack Venues Receiving Funds Was “Nearby” Trump International Golf Club In West Palm Beach, FL

April 2020: Drive Shack Received \$5,276,742 In PPP Money For Four “Golf Entertainment Venues,” Including Its West Palm Beach Location. “On April 10, 2020, the operating subsidiaries of Drive Shack Inc.

(the “Company”) comprising the Company’s four golf entertainment venues in Orlando, FL, Raleigh, NC, Richmond, VA., and West Palm Beach, FL completed a financing with JPMorgan Chase Bank, N.A. (the “Lender”), under the recently enacted Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) administered by the U.S. Small Business Administration consisting of four loans in an aggregate principal amount equal to \$5,276,742.00 (collectively, the “Loans”). [Securities and Exchange Commission, Drive Shack Inc., Form 8-K, [4/16/20](#)]

Drive Shack’s West Palm Beach Location Was Located Near Trump International Golf Club. “At 60,000-square feet the venue, located just west of I-95 on Belvedere Road, measures slightly bigger than a football field but is much smaller than, say, nearby Trump International Golf Club or PGA National.” [Drive Shack, Accessed [5/1/20](#)]

Drive Shack, Inc. Received Praise From Golf Lobbying Groups With Ties To The Trump Administration, And Had A Trump Contributor As A Director

Drive Shack, Inc. Director Clifford Press Contributed At Least \$3,800 To Trump.

Clifford Press Was A Director For Drive Shack Since 2016. “Mr. Press has been a member of our Board of Directors and a member of our Nominating and Corporate Governance Committee since February 2016, a member of our Compensation Committee since January 2018, and a member of our Audit Committee since May 2018. Mr. Press has been a Managing Member of Oliver Press Partners, LLC, an investment advisory firm, since March 2005.” [Drive Shack, Accessed [5/1/20](#)]

Clifford Press Of Oliver Press Partners LLC Contributed At Least \$3,827 To Trump Committees. [Federal Election Commission, Individual contributions of Clifford Press, Accessed [5/1/20](#)]

Drive Shack Attracted Praise From Well-Connected Golf Lobbying Group With Ties To Trump, Who Had Been Pushing For PPP Funds To Go To Golf Companies

August 2019: We Are Golf CEO Praised Drive Shack As A Potential Opportunity For The Traditional Golf Sector To Capitalize. “Q: Do new golf operations such as Top Golf and Drive Shack have a long-term impact in building the pipeline for future players or is it merely a fad of the times with a business plan meant more on selling buffalo wings and beer? KAREN: While no one has a crystal ball for that answer, our industry calls it “shot euphoria,” the feeling all golfers experience when your club impacts the ball and elicits that satisfying — almost addicting sensation. You want to repeat it again and again. If someone discovers shot euphoria at Drive Shack, they may want to carry that to a “real” golf course. In markets with “golf entertainment” venues, local courses should form partnerships with those venues – to feed each other business. If that’s not happening, shame on us for not capitalizing on the millions who are swinging a club in one hand and eating wings with the other. The worst situation: If people love this “golf thing,” and ask the question, “What next?” Only to find we are not truly inviting them into the sport. In the end, I believe Drive Shack and Topgolf are the best answers to, “What should we do Friday night?” They aren’t here to supplant centuries-old, traditional golf experiences, yet current golf course operators can bring elements from the golf entertainment venue experience to their own operations.” [We Are Golf, Jay Karen, CEO At National Golf Course Owners Association, [8/7/19](#)]

Vice Described We Are Golf As An “Influential Golf Political Advocacy Group With Ties To Trump’s Company. “An influential golf political advocacy group with ties to Trump’s company has reached out to members of Congress with a proposal to make federal coronavirus rescue loans more widely accessible to the golf world, including a change that could enable Trump’s company to borrow millions if accepted.” [Vice, [4/22/20](#)]

April 2020: We Are Golf Lobbied For More PPP Money To Go To Golf Companies

April 15, 2020: We Are Golf Announced It Had “Been Communicating With Members Of Congress ... To Ensure The Golf Industry Is Represented Appropriately” As They Made Changes To The PPP Program. “We have been communicating with Members of Congress, including Senator Rubio’s office, on CARES ACT II to ensure the golf industry is represented appropriately as the consider adjustments to the PPP program in forthcoming legislation.” [We Are Golf, [4/15/20](#)]

- **The Same Presentation Gave An Update On Trump’s Doral Golf Resort.** “President Trump’s Doral golf resort was forced to lay-off 570 workers this week. The resort has been closed since mid-March due to the coronavirus outbreak. Please click [HERE](#) for more.” [We Are Golf, [4/15/20](#)]

Trump Was The “Most Avid Golfer And Golf Businessman Ever To Hold The Country’s Highest Office.”

Golf Digest Called Trump The “Most Avid Golfer And Golf Businessman Ever To Hold The Country’s Highest Office”

Golf Digest: Trump Is The “Most Avid Golfer And Golf Businessman Ever To Hold The Country’s Highest Office.” “Trump, the most avid golfer and golf businessman ever to hold the country’s highest office, has a chance to shape the economic direction of golf just as he shapes that of the country. Indeed, his success in the latter all but guarantees his success with the former. If the economy improves, jobs are created, taxes are lowered, golf will benefit. Same as it ever was. And when American golf is thriving, global golf is thriving.” [Golf Digest, [2/2/17](#)]

Lobbyists And Senators Fought To Ensure COVID Relief Funds Went To Weapons Manufacturers And Succeeded, Securing Up To \$27 Million In Relief For The Industry - Including To Public Firms Manufacturing Hollow Point Ammunition And Bullets Used In AR-15s, And Involved In Questionable Government Contracts

SUMMARY: In the immediate aftermath of the COVID 19 pandemic, the weapon industry and its allies got to work, ensuring relief funds would get into the hands of weapon firms. The industry lobbied successfully to be declared “essential infrastructure,” and trade organizations such as the National Rifle Association and National Shooting Sports Foundation (NSSF) lobbied on the CARES Act, the legislation which created the Paycheck Protection Program. 19 Senators wrote a letter to Treasury to ensure gun companies would be included in disbursement of PPP funds – including 15 who have received contributions from the NSSF’s PAC.

The Paycheck Protection Program, launched as a lifeline for small business, has provided support to gun industry identified companies to the tune of between \$70 to \$164 million, based on public disclosures. Major gun manufacturers, such as Brownells and Kimber, received over \$5 million each. And this was for an industry that did not suffer a major COVID related slowdown: in fact, the Brookings Institution found gun sales spiked throughout the second quarter of 2020 in response to the pandemic and news events.

Now, SEC filings reveal that at least two publicly-traded companies in the weapons industry received over \$1.1 million in PPP funding:

- **Ammo, Inc.**, a “technology-driven ammunition” company, received approximately \$1 million from the PPP across their subsidiaries – this was despite an increase in quarterly revenue from the previous year. Ammo’s specialty ammunition included their “Night OPS” series of hollow point bullets, advertised as inflicting “mass force trauma” on soft tissue. While arguments over the precise limits of the law remain, hollow point bullets designed to explode on contact with skin are restricted in the state of New Jersey and illegal beyond specified hunting purposes. Beyond hollow point, Ammo manufactured a “/stealth” line of subsonic firearm bullets, designed to minimize noise. Finally,

Ammo's board of directors – along with an occasional Republican Party contributor – included a current “subject matter expert on law enforcement” working for a project within Trump's Commerce Department. Ammo Inc. was also a member of the National Shooting Sports Foundation, which lobbied on the bill.

- **Applied Energetics**, working in photonics and energetics for the purposes of national defense, received \$132,760 in funding from the PPP. And Applied Energetics' history – of benefitting from no-bid government contracts based on promises IED-diffusing use of laser technology in Afghanistan, leading to a program subsequently revealed as a “costly boondoggle” by the Center for Public Integrity – did not raise an alarm.

In The Early Days Of The COVID 19 Pandemic, Gun Industry Lobbyists Worked To Ensure Relief Funds To Go To The Industry, And Senators Wrote The Treasury To Ensure Firms Received PPP Funds

The Gun Industry Had A Lobbying Push In The Coronavirus Fallout, Including Direct Lobbying On The CARES Act

In March 2020, The Gun Industry Pushed A Lobbying Effort To Ensure Gun Companies Would Be Deemed “Essential Infrastructure.” “The Trump administration designated the firearms industry as essential ‘critical infrastructure’ over the weekend following lobbying and digital ad campaigns by gun rights groups. [...] Days earlier, a number of leading gun advocacy groups lobbied President Donald Trump's administration. The advisory came a day after Gun Owners of America sent a letter to the DHS requesting that the firearms dealers be deemed essential critical infrastructure. The National Shooting Sports Foundation, a trade association for the firearms and ammunition industry, also lobbied DHS about the guidance, sending a letter noting that it ‘worked closely’ with the Trump administration to ensure the inclusion of firearms among essential critical services.” [Center for Responsive Politics, [3/30/20](#)]

Q2 2020: A Lobbying Disclosure Showed The National Rifle Association Lobbied On HR 748. The report included, “Specific lobbying issues [...] H.R. 748” [Clerk of the House of Representatives and Secretary of the Senate, National Rifle Association Q2 2020 Lobbying Report, [7/20/20](#)]

- **The CARES Act Was HR 748.** [GovTrack – “HR 748: Coronavirus Aid, Relief, and Economic Security Act,” [3/27/20](#)]

Q2 2020: A Lobbying Disclosure Showed The National Shooting Sports Foundation Lobbied On The PPP. The report included, “Specific lobbying issues [...] Treasury, Small Business Administration, Federal Reserve Clarification on Eligibility of PPP funding, Main Street Loans / Banking Discrimination.” [Clerk of the House of Representatives and Secretary of the Senate, National Shooting Sports Foundation Q2 2020 Lobbying Report, [7/10/20](#)]

Within A Month Of The Creation Of A Fund To Aid Small Businesses Amidst COVID 19, 19 Senators Sent Letters To Ensure Gun Industry Firms Would Have Access To The Funds – At Least 15 Of Which Had Received Contributions From Gun Trade Organizations That Lobbied On The Bill

April 3, 2020: Small Business Administration (SBA) Launched The Paycheck Protection Program (PPP) Out Of The CARES Act. “The U.S. Small Business Administration Administrator Jovita Carranza today launched the Paycheck Protection Program, a \$349 billion emergency loan program created last week with the President's signing of the Coronavirus Aid, Relief, and Economic Security Act (CARES). The program provides forgivable loans up to \$10 million to small businesses left financially distressed by the Coronavirus (COVID-19) pandemic. The loans, which will be administered at the local level by a national network of banks and credit unions, are designed to maintain the viability of millions of small businesses struggling to meet payroll and day-to-day operating expenses.” [Small Business Administration – Press Release, [4/3/20](#)]

April 29, 2020: 19 Senators Sent A Letter To The Treasury Department, Calling To Ensure That Gun Industry Companies Received Paycheck Protection Program Funding. “A group of 19 GOP lawmakers sent a letter to the Small Business Administration, Treasury Department, and Federal Reserve late on Tuesday to ensure that banks are not withholding loans from certain industries. The senators, led by Kevin Cramer (R., N.D.), expressed concerns that some of the biggest banks administering the Paycheck Protection Program have previously refused to do business with companies in the oil, gas, coal, prison, and—especially—gun industries, according to a copy of the [letter](#) obtained exclusively by the Washington Free Beacon. Ted Cruz (Texas), Tom Cotton (Ark.), Rick Scott (Fla.), Josh Hawley (Mo.), and Ben Sasse (Neb.) were among the Republicans who signed the letter.” [Washington Free Beacon, [4/29/20](#)]

The US Senate Letter On Allowing Gun Companies To Access PPP Funds Included The Names Of 19 Senators. [US Senate Letter to Steve Mnuchin via Washington Beacon, [4/28/20](#)]

The National Shooting Sports Foundation PAC, Through Their Careers, Had Contributed To 15 Out Of 19 Senators On The List Calling For PPP Gun Industry Access. The contributions included Senator Kevin Cramer ([10/17/18](#)), Senator Cornyn ([4/20/16](#)), Senator Paul ([11/5/16](#)), Senator Cruz ([9/28/18](#)), Senator Daines (most recently [5/13/20](#)), Senator Cotton (most recently [6/19/20](#)), Senator Murkowski (most recently [6/30/20](#)), Senator Ernst ([5/26/20](#)), Senator Hyde-Smith ([6/25/20](#)), Senator Inhofe ([5/19/20](#)), Senator Hoeven ([6/28/19](#)), Senator Sasse ([5/26/20](#)), Senator Braun ([10/16/18](#)), Senator Hawley ([9/30/18](#)), and Senator Thune ([11/1/16](#)). There were no contributions to Senator Rick Scott (R-FL), Senator Capito (R-WV), Senator Lee (R-UT), or Senator Barrasso (R-WY). [FEC]

- **7 Out Of 19 Senators On The List Calling For PPP Gun Industry Access Have Received Contributions From The National Shooting Sports Foundation PAC Since Passage Of The CARES Act.** The contributions included Senator Daines (most recently [5/13/20](#)), Senator Cotton (most recently [6/19/20](#)), Senator Murkowski (most recently [6/30/20](#)), Senator Ernst ([5/26/20](#)), Senator Hyde-Smith ([6/25/20](#)), Senator Inhofe ([5/19/20](#)), and Senator Sasse ([5/26/20](#)). [FEC]

The Gun Industry Has Done Relatively Well Amidst The COVID 19 Pandemic - Yet Still Received Between \$70 To \$164 Million In PPP Funding, With Some Large Manufacturers Receiving Up To \$10 Million

Businesses Who Had NAICS Codes Associated With The Weapons Industry Received Between \$70,050,000 To \$164,750,000 In PPP Funding. Information in this chart was based on the Treasury Department’s release of public PPP data, which gave a range for each loan. This information was put into the COVIDBailoutTracker.com database.

NAICS	NAICS DESCRIPTION	LOANS	LOAN MIN	LOAN MAX
332992	Small Arms Ammunition Manufacturing	22	\$5,800,000	\$13,600,000
332993	Ammunition (except Small Arms) Manufacturing	8	\$4,150,000	\$9,050,000
332994	Small Arms, Ordnance, and Ordnance Accessories Manufacturing	117	\$60,100,000	\$142,100,000
TOTAL:		147	\$70,050,000	\$164,750,000

[Accountable.US, COVIDBailoutTracker.com, Accessed [8/25/20](#)]

Amidst The COVID-19 Pandemic, The Brookings Institution Found A Spike In Gun Sales Through The Second Quarter Of 2020. “Guns sales have spiked since the coronavirus emerged in America earlier this year. A recent study by the Brookings Institution found that consumer concerns about safety — first from shutdowns amid the spread of COVID-19 and then protests around the Black Lives Matter movement — pushed up gun sales 30% in March, April, May and June. The result: 3 million more guns were sold than usual during the period, according to Brookings.” [CBS, [7/23/20](#)]

Two Large Gun Manufacturers, Brownells And Kimber Manufacturing, Received Between \$5 To \$10 Million Each In PPP Funds. “Two companies, Brownells and Kimber Manufacturing, both received between

\$5 and \$10 million — the largest loans available. Brownells is a popular retailer of guns and accessories that produces its own line of rifles. Kimber, one of the country's largest pistol and rifle manufacturers, announced in late March that it was shuttering production at its New York manufacturing facilities due to its designation as a nonessential business." [The Trace, [7/6/20](#)]

Publicly-Traded Specialty Ammunition Manufacturer Ammo, Inc. – Benefitting From Interest In AR-15 Ammunition, Advertising Hollow Point Bullets Restricted In The State Of New Jersey, And Where A White House “Subject Matter Expert” On Security Sat On The Company Board - Received \$1 Million In PPP Funding

Ammo, Inc. Received Approximately \$1 Million In PPP Funding Amidst A Financial Quarter With Increased Revenue

AMMO, Inc. Was A “High-Quality, Technology-Driven Ammunition” Company. “AMMO, Inc. is a high-quality, technology-driven ammunition U.S.-based company; from our patented STREAK (R), HyperClean, and military ammunition technologies, to the latest and best manufacturing technology in the industry. Our manufacturing facilities and processes meet or exceed all SAAMI and MilSpec specifications.” [AMMO, Inc. – “About AMMO Inc.,” accessed [8/20/20](#)]

April 2020: AMMO, Inc. Received Approximately \$1 Million In Paycheck Protection Program Funding Across Two Loans, \$600,000 To AMMO, And \$400,000 To Subsidiary Jagemann Muniton Components. “In April of 2020, the Company determined it was necessary to obtain additional funds as a result of the foregoing uncertainty cause by COVID-19. The Company received approximately \$1.0 million in funds through itself and its wholly owned subsidiary Jagemann Muniton Components, which was established under the federal Coronavirus Aid, Relief, and Economic Security Act and is administered by the U.S. Small Business Administration. The Company received approximately \$600,000 from Western State Bank and its wholly owned subsidiary, Jagemann Muniton Components, received approximately \$400,000 from BMO Harris.” [SEC – AMMO, Inc. 10-Q, [8/19/20](#)]

In An Earnings Call, AMMO, Inc. Discussed How The Previous Quarter Was Up On Revenue From The Previous Year. “AMMO, Inc. (OTCQB: POWW) (‘AMMO’ or the ‘Company’), a premier American ammunition and munition components manufacturer and technology leader, has reported financial results for its fiscal first quarter ended June 30, 2020. Financial Summary for Fiscal First Quarter 2021 vs. Fiscal First Quarter 2020 [*] Total revenue increased 125% to \$9.7 million compared to \$4.3 million [...] [*] Adjusted EBITDA improved to \$(0.3) million compared to \$(1.8) million.” [AMMO, Inc. - Press Release via GlobeNewswire, [8/20/20](#)]

Ammo Inc. Credited Concerns About Civil Unrest, As Well As Demand For Bullets On Modern Sporting Rifles And Semi-Automatic Handguns, Aided Their Quarter. “Ammo Inc, an ammunition manufacturer based in Scottsdale, Arizona, reported on Thursday that its revenues had surged 125 per cent to \$9.7m in the three months to June. ‘Extraordinary’ demand from its commercial segment, which sells to the hunting, sports shooting and self-defense markets, had powered its order backlog to a record \$45m, said Fred Wagenhals, chief executive. Mark Hanish, Ammo’s president of global sales and marketing, told the Financial Times it had seen intense demand for bullets for semi-automatic handguns and the AR-15 ‘modern sporting rifle’. ‘In past [election] run-ups, your traditional folks who were already gun owners would purchase more. This is brand new people,’ he said, attributing the influx of new buyers to the confluence of the pandemic, the election and concern about ‘civil unrest and uncertainty’.” [Financial Times, [8/21/20](#)]

Ammo Inc. Was Connected To Trade Group National Shooting Sports Foundation, Who Lobbied On The PPP And Contributed To Senators Who Had Called For PPP Access For The Gun Industry

Ammo Inc. Had Introduced New Products At Events By The National Shooting Sports Foundation, And Praised Them In A Press Release. “AMMO, Inc. (OTCQB: POWW) (‘AMMO’), a technology leader and premier American ammunition and munition components manufacturer, announced the Company’s new STREAK™ ammunition range program at the National Shooting Sports Foundation (‘NSSF’) Range-Retailer Business

Expo™ held in Denver, Colorado. [...] The NSSF supports industry businesses, diligently works to keep guns out of the wrong hands, while encouraging the enjoyment of recreational hunting and shooting and a better understanding of the use of the industry's lawful products." [Ammo Inc – Press Release, [8/27/19](#)]

- **Q2 2020: A Lobbying Disclosure Showed The National Shooting Sports Foundation Lobbied On The PPP.** The report included, "Specific lobbying issues [...] Treasury, Small Business Administration, Federal Reserve Clarification on Eligibility of PPP funding, Main Street Loans / Banking Discrimination." [Clerk of the House of Representatives and Secretary of the Senate, National Shooting Sports Foundation Q2 2020 Lobbying Report, [7/10/20](#)]
- **The National Shooting Sports Foundation PAC, Through Their Careers, Had Contributed To 15 Out Of 19 Senators On The List Calling For PPP Gun Industry Access.** The contributions included Senator Kevin Cramer ([10/17/18](#)), Senator Cornyn ([4/20/16](#)), Senator Paul ([11/5/16](#)), Senator Cruz ([9/28/18](#)), Senator Daines (most recently [5/13/20](#)), Senator Cotton (most recently [6/19/20](#)), Senator Murkowski (most recently [6/30/20](#)), Senator Ernst ([5/26/20](#)), Senator Hyde-Smith ([6/25/20](#)), Senator Inhofe ([5/19/20](#)), Senator Hoeven ([6/28/19](#)), Senator Sasse ([5/26/20](#)), Senator Braun ([10/16/18](#)), Senator Hawley ([9/30/18](#)), and Senator Thune ([11/1/16](#)). There were no contributions to Senator Rick Scott (R-FL), Senator Capito (R-WV), Senator Lee (R-UT), or Senator Barrasso (R-WY). [FEC]

Ammo Inc. Manufactured Hollow Point Ammunition – Likely Illegal In The State Of New Jersey – And Advertised As Inflicting "Mass Force Trauma."

Ammo Advertised Their Brand Of "Night OPS" Hollow Point Bullets, Saying They Could "Track Through" A Variety Of Barriers And Inflict "Mass Force Trauma" On Soft Tissue. "Night OPS – ONE PRECISE SHOT® rounds were developed to meet a wide variety of demanding engagement scenarios typically experienced by law enforcement personnel in the line of duty. With a HOLLOW POINT FRANGIBLE (HPF®) projectile that transfers 100% of its energy into the target, these rounds track straight through a variety of soft barriers like drywall, plywood, car doors and auto glass. Upon entering soft tissue, the jacket and core separate with furious force of impact, resulting in mass force trauma." [Ammo Inc. – "Night OPS – One Precise Shot," accessed [8/20/20](#)]

Giffords Law Center: New Jersey Tracked The Interchange Of Hollow-Nosed And "Dum-Dum" Ammunition, And Possession Of "Dum-Dum" Bullets Was Prohibited, Albeit In Undefined Terms.

"Sellers must record sales or other dispositions of handgun ammunition and ammunition that may be interchangeable between rifles and handguns, as well as hollow-nosed or dum-dum ammunition. [...] New Jersey also prohibits the knowing possession of any hollow nose or dum-dum bullet. Hollow nose and dum-dum are terms associated with bullets designed to expand on impact. These terms are not specifically defined under New Jersey law." [Giffords Law Center, [11/8/19](#)]

Tormey Law Firm: New Jersey Law Prohibits Possession Of Hollow Point Bullets Unless Engaged In Hunting Or Game Related Activities. "In New Jersey, it is also illegal to possess hollow nose or hollow point bullets unless you are engaged in one of the activities that are considered 'exemptions.' These include hunting, fishing, and target shooting. You may also possess hollow nose or hollow point bullets on your personal property or while traveling to or from a point of purchase." [Tormey Law Firm, accessed [8/21/20](#)]

Beyond Hollow Point, Ammo Manufactured And Advertised Subsonic Firearm Ammunition Described As "Purpose-Built For Silence" And Produced Music Videos Of Its Products

Ammo Advertised A "/stelTH/" Line Of Subsonic Firearm Bullet, Described As "Purpose-Built For Silence." "The AMMO INCORPORATED® /stelTH/® line is more than just a standard round tuned for subsonic velocity. Most manufacturers simply tune a standard round for subsonic velocity. Not at AMMO INC. /stelTH/™ is purpose-built for silence. The combination of technology, engineering, and collaboration with leading suppressor manufacturers make /stelTH/™ some of the most advanced subsonic cartridges in existence today. It's a round that slows baffle erosion and reduces build-up in your suppressor. All this with a very competitive price tag." [Ammo Inc. – "/stelTH/ Subsonic Ammunition," accessed [8/20/20](#)]

- **Subsonic Ammunition Referred To Ammunition That Traveled Below The Speed Of Sound, Therefore Reducing The Sound Of The Shot.** “Quite simply, subsonic ammunition is any cartridge that propels its projectile at a velocity that is below the speed of sound—approximately 1100 fps depending on atmospheric conditions and elevation. At speeds above the sound barrier, the bullet itself creates a sonic boom, or in the case of bullets, a high-pitched crack, perceptible all along its flight path. A bullet traveling below the speed of sound does not make that distinct sonic crack.” [Outdoor Life, [4/14/20](#)]

Ammo Inc. Produced Music Videos Of Its Products, Such As “Streak Visual Ammunition.” The video was described as, “STREAK is a NEXT – GENERATION ‘Non-Flammable’ visual ‘tracer style’ ammunition, which is a non-incendiary round, safe for indoor and outdoor use. Streak Visual Ammunition is AMMO, Inc.’s leading round when it comes to exclusive ground breaking patented technology.” The product video is set to “International Crisis” by Nonpoint. [YouTube – Ammo Inc., [12/11/17](#)] (VIDEO)

A Law Enforcement Expert Within The Commerce Department Was On Ammo Inc.’s Board Of Directors

Harry Markley Was Listed On The Board Of Directors At Ammo, Inc., Having Joined In March 2018 Following 30 Years With The Phoenix Police Department. “Harry S. Markley has been a director of our company since March 2018. Mr. Markley served with the Phoenix Police Department for more than 30 years, most recently as Assistant Chief of the Patrol Division from 2013 through 2017 and Commander of the Family Investigations Bureau from 2002 to 2013. Mr. Markley currently serves as the Law Enforcement Senior Advisor for the United States of America Department of Commerce.” [Ammo Inc. – “About Ammo Inc.,” accessed [8/20/20](#)]

Harry Markley Was Listed As A Subject Matter Expert On Law Enforcement For The First Responder Network Authority. [FirstNet – “Harry Markley,” accessed [8/20/20](#)]

Markley Joined FirstNet Authority After 30 Years With The Phoenix Police Department. “Harry Markley is the senior public safety advisor for Law Enforcement. Harry joined the First Responder Network Authority (FirstNet Authority) after more than 30 years with the Phoenix Police Department.” [FirstNet – “Harry Markley,” accessed [8/20/20](#)]

Ammo Inc’s Founder And Chairman Of The Board Was A Republican Political Contributor, Including To Rudy Giuliani In 2007 And To The RNC Last Year

Fred Wagenhals Was Founder And Chairman Of The Board At Ammo Inc. “AMMO Inc. (OTCQB: POWW), a technology leader and premier American ammunition and munition components manufacturer, was founded by legendary American entrepreneur, inventor and visionary Fred Wagenhals in 2016. AMMO designs and manufactures products for a variety of markets including law enforcement, military, sport shooting, and self-defense. The company was founded with a single vision -- to change, innovate and invigorate the complacent munitions industry.” [Ammo Inc. – “About Ammo Inc.,” accessed [8/20/20](#)]

Fred Wagenhals Made Regular Political Contributions, Including \$2,300 To Rudy Giuliani In 2007 And \$100 To The RNC In 2019. [FEC – contributions from “Fred Wagenhals,” accessed [8/20/20](#)]

Publicly-Traded Energy Weaponry Manufacturer Applied Energetics – Previously A Focus Of Controversy A Center For Public Integrity Report On Bungled Programs In The Afghanistan War – Received Over \$132,000 In PPP Funding

High-Voltage Weaponry Company Applied Energetics Received Over \$132,000 From The Paycheck Protection Program

Applied Energetics Worked In Photonic And Energetics, Utilizing For National Defense. “Applied Energetics, Inc., formerly known as Ionatron, Inc., is a pioneer in photonic and high-voltage energetics technology. Headquartered in Tucson, Arizona, Applied Energetics is a passionate creative team of scientists and engineers who understand the power and limits of physics and put that knowledge to work, providing unprecedented options and capabilities for customers. Applied Energetics utilizes its proprietary knowledge of high-performance lasers, high-voltage electronics, advanced adaptive optics and atmospheric and plasma energy interactions to develop cutting edge technologies and innovative solutions for critical military missions. [...] Founded in 2002, Applied Energetics is the exclusive developer of Laser Guided Energy (LGE™) and Laser Induced Plasma Channel (LIPC™) technologies.” [Applied Energetics - ‘Our Mission,’ accessed [8/20/20](#)]

April 28, 2020: Applied Energetics Inc. Received \$132,760 In Funding From The PPP. “On April 28, 2020, we received proceeds from a Small Business Administration Paycheck Protection Program loan of \$132,760.00.” [SEC – Applied Energetics Inc. 10-Q, [5/15/20](#)]

A Page On The Applied Energetics Website, Not Yet Live, Promises To Discuss “Future Warfare Needs.” [Applied Energetics - “Future Warfare Needs,” accessed [8/20/20](#)]

Applied Energetics Received Attention In 2011, When An Anti-IED Contract They Had In Afghanistan Was Reported As A “Costly Boondoggle,” Leading To The Ending Of The Program

2002: An Arizona Startup, Ionatron, Created A Joint IED Neutralizer (JIN), Claiming It Could Detonate IEDs From Well Outside The Blast Range. “One such ‘comer’ was the Joint IED Neutralizer (JIN), which was created in 2002 by an Arizona start-up company, Ionatron. Looking like a pair of boxy golf-carts, the JIN had a gun-like apparatus in front that fired ultra-short pulse lasers followed by a half-million volt lightning bolt of electricity. Its maker said it could detonate blasting caps, the things that set off IEDs, from well outside the blast range.” [Center for Public Integrity, [3/27/11](#)]

- **Applied Energetics’ Website Mentioned The Company Was “Founded In 2002.”** “Founded in 2002, Applied Energetics is the exclusive developer of Laser Guided Energy (LGE™) and Laser Induced Plasma Channel (LIPC™) technologies.” [Applied Energetics - ‘Our Mission,’ accessed [8/20/20](#)]

2009: Ionatron, Having Changed Their Name To Applied Energetics, Settled A 2006 Lawsuit Claiming Their JIN Neutralizer Failed To Meet Government Specifications. “In mid-2006, two class action suits were filed against the JIN’s maker by shareholders, who charged that the firm ‘concealed that the vehicle was at best an improvisation’ and was not capable of meeting government specifications. The company, which had changed its name to Applied Energetics Inc., denied all the claims but settled the suit in September 2009, by paying \$5.3 million in cash and another \$1.2 million in stock to the complaining shareholders. Applied Energetics did not respond to repeated requests for comment.” [Center for Public Integrity, [3/27/11](#)]

Applied Energetics Won Over \$50 Million In No-Bid Military Contracts For Their Roadside Detonation Devices, Despite Other Companies Making The Technology And Test Failures. “Competition is normally the cornerstone of better prices and better products, but the urgency of dealing with improvised explosive devices, or IEDs, has been cited to justify a number of sole-source contracts to companies promising quick solutions over a decade of war. One such company was Tucson-based Applied Energetics, which markets a futuristic weapon that shoots beams of lightning to detonate roadside bombs. The company won over \$50 million in military contracts for their lightning weapon, all without full and open competition, even though there was another company marketing similar technology. Despite test failures, the company, in part thanks to congressional support, continued to get funding.” [Center for Public Integrity, [8/29/11](#)]

Applied Energetics Received Public Attention In 2011, After An Anti-Bomb Operation In Afghanistan Was Criticized As A “Costly Boondoggle” By The Center For Public Integrity. “Applied Energetics Inc. — perhaps best known for developing a controversial device designed to zap roadside bombs at the height of the war in Afghanistan — has acquired a local optics company with the aim of reviving its development of directed-energy weapons and specialty lasers. [...] The company’s bomb-zapping system was tested by the Marine Corps in Afghanistan, but the Corps dropped the effort in 2011 after reporting spotty results, and the system

was criticized as a costly boondoggle by the nonprofit Center for Public Integrity in articles in several national publications. The company says its systems worked during more than 200 missions in Afghanistan, with no injuries on paths cleared by the device.” [Arizona Daily Star, [7/13/19](#)]

LARGE COMPANIES PUSHED OUT SMALL BUSINESS:

**PPP Benefitted Over 900 Publicly-Traded Firms
For At Least \$1.5 Billion – Including Shell
Companies, Multiple Loans Across
Subsidiaries, Companies Facing SEC
Complaints, And Foreign-Owned Corporations**

The PPP Benefitted Over 900 Publicly-Traded Firms For At Least \$1.5 Billion

NOTE: Figures cited above current as of September 16, 2020.

As Of September 16, 2020, Accountable.US Had Documented 940 Publicly Traded Companies, Receiving \$1,602,920,422 In Funds. [Accountable.US, COVIDBailoutTracker.com, Accessed [9/16/20](#)]

Despite Its Design Intended for Small Businesses With Fewer Than 500 Employees, SBA's Paycheck Protection Program Gave Funds To Large Companies With Far More Than 500 Employees

New York Times: "Special-Interest Provisions" In The Coronavirus Stimulus Package Allowed Certain Companies To File For Small Business Loans, Despite Exceeding The 500 Employee Classification For "Small Business." "Tucked into the largest bailout in United States history — a \$2 trillion federal stimulus package agreed to by congressional leaders and the White House early Wednesday in an effort to reduce the economic devastation of the coronavirus outbreak — are a range of provisions that stand to benefit specific industries and interest groups. [...] Many of these special-interest provisions would be impossible for a casual reader of the legislation to identify. For example, on Page 15 of the bill, there is a section with the title 'Business Concerns With More Than 1 Physical Location.' It says this change in federal law will apply to companies that fit 'a North American Industry Classification System code beginning with 72' — a reference that turns out to mean the hotel and restaurant industry. The provision says that if a company owns multiple hotels, even if the overall hotel or restaurant chain has more than 500 employees — the limit to qualify for treatment as a small business — it will still be able to take advantage of the small-business benefits offered in the rescue package." [New York Times, [3/25/20](#)]

- **Wall Street Journal: Language In The Coronavirus Stimulus Package Allowed Big Companies To Participate, Despite Aim Of Program Being For Businesses With 500 Or Fewer Employees.** "While the new \$350 billion Paycheck Protection Program is aimed at businesses with 500 or fewer employees, language in the \$2 trillion federal stimulus bill allows big restaurant and hotel chains to participate regardless of how many people they employ. Sean Kennedy, executive vice president for the National Restaurant Association, which lobbied for the restaurant-and-hotel exception, says size shouldn't matter." [Wall Street Journal, [4/6/20](#)]

LOAN DATE	COMPANY	STATE	LOAN AMOUNT	EMPLOYEE COUNT	EXECUTIVE COMPENSATION
4/14/20	Harte Hanks Inc.	TX	\$10,000,000	2430	\$1,934,150
5/04/20	Innodata Inc	NJ	\$579,700	3733	\$1,195,772
5/04/20	Live Ventures Inc.	NV	\$4,767,887	1000	\$1,233,860
5/05/20	Alithya Group Inc.	NON-US: Montreal, Quebec, Canada	\$6,300,000	2,146	\$2,832,351
5/01/20	Sypris Solutions Inc.	KY	\$3,558,000	630	\$1,251,882
4/28/20	A M Castle And Co	IL	\$10,000,000	873	\$2,995,429
4/13/20	Zagg Inc	UT	\$9,443,728	628	\$5,443,595
5/01/20	XpresSpa Holdings LLC	NY	\$5,653,399	728	\$866,800
4/17/20	Twin Disc, Inc.	WI	\$8,199,500	873	\$3,540,194
4/17/20	Gulf Island Fabrication, Inc.	TX	\$10,000,000	944	\$3,295,282

4/15/20	Hallador Energy Company	IN	\$10,000,000	915	\$847,559
4/27/20	Independence Contract Drilling, Inc	TX	\$10,000,000	650	\$3,759,873
5/15/20	Forbes Energy Services, LLC	TX	\$10,000,000	786	\$3,042,828
5/08/20	SAExploration Inc	TX	\$6,801,372	981	\$12,916,676
4/14/20	Nature's Sunshine Products Inc	UT	\$5,400,000	834	\$3,194,157
4/?/20	RadNet, Inc.	CA	\$4,023,000	8,498	\$7,573,838
4/28/20	Lazydays Holdings, Inc.	TN	\$8,703,955	935	\$1,217,586
4/10/20	Air T, Inc.	NC	\$8,215,100	769	\$515,300
6/?/20	The Marcus Corporation	WI	\$13,459,000	10,500	\$12,378,740
4/14/20	Manitex International, Inc.	IL	\$3,700,000	598	\$2,486,185
4/24/20	Unique Fabricating, Inc.	MI	\$5,998,700	988	\$883,749
4/?/20	LSB Industries, Inc	OK	\$10,000,000	593	\$4,837,397
4/23/20	SigmaTron International, Inc.	IL	\$6,282,973	3,106	\$845,799
4/15/20	Nortech Systems Incorporated	MN	\$6,100,000	687	\$1,517,280
4/16/20	Universal Stainless & Alloy Products, Inc.	PA	\$10,000,000	795	\$1,997,981
5/07/20	Avid Technology Inc	MA	\$7,800,000	1,429	\$6,046,344
5/13/20	Invacare Corporation	OH	\$10,000,000	3,900	\$14,467,149
5/01/20	RigNet Inc	TX	\$6,787,492	625	\$4,246,225
5/08/20	RCI Hospitality Holdings Inc.	TX	\$5,424,000	2,200	\$2,107,044
8/10/20	Potbelly Corporation	IL	\$10,000,000	6,000	\$4,266,163
5/01/20	Ark Restaurants Corp.	NY	\$14,900,000	2,145	\$2,216,967
5/07/20	Good Times Restaurants Inc	CO	\$11,645,000	2,535	\$1,246,701
4/21/20	Luby's, Inc.	TX	\$10,000,000	6,133	\$634,615
6/02/20	Christopher & Banks Corporation	MN	\$10,000,000	3,800	\$2,685,956
4/17/20	Trans World Marketing Corporation	NY	\$2,017,550	2,200	\$2,279,946
4/30/20	Napco Security Technologies Inc	NY	\$1,054,000	1076	\$2,507,870
4/13/20	Quantum Corporation	CA	\$10,000,000	800	\$4,979,236
5/03/20	KVH Industries Inc	RI	\$6,900,000	604	\$3,014,990

[Accountable.US, COVIDBailoutTracker.com, Accessed [9/16/20](#)]

**Note: This chart is not meant to be comprehensive, but highlights 40 public companies with over 500 employees. Some firms received the funding across multiple subsidiaries operating under the same company.*

Public Corporations Laid Off Workers Before Taking PPP Funds

SUMMARY: The U.S. Small Business Administration's (SBA's) Paycheck Protection Program (PPP) was intended to help small businesses keep workers on payroll during the COVID-19 pandemic, only offering them full loan forgiveness if they re-hired laid-off or furloughed employees. But as carried out by the Trump administration, PPP has allowed for companies who do large layoffs shortly before receiving funds to dodge the issue.

A few examples of these large, public corporations—many of which were relatively financially stable and well-situated to survive the crisis—that laid off workers shortly before receiving PPP funds include:

- **GEE Group Inc.** took \$19.9 million in PPP loans shortly after laying off workers and adding three new board members who were all poised to hold millions of company shares and earn stock options.
- **Good Times Restaurants Inc.** laid off workers shortly before taking \$11.6 million in PPP loans, which it said would be used to restore pay for management, likely including executive officers.
- **A. M. Castle & Co.** took a \$10 million PPP loan before disclosing it cut staff, hours, and pay (with plans for more), despite the fact its president and CEO said the company was poised to “maintain positive operational performance” during the pandemic.
- **Hallador Energy Company** took a \$10 million PPP loan shortly after its subsidiary laid off workers, but expects part of the loan to be forgiven. The company also has ties to the Trump administration, hiring former EPA Administrator Scott Pruitt as a lobbyist and counting a former executive among senior Trump energy officials.
- **Independence Contract Drilling, Inc.** took a \$10 million PPP loan before disclosing that it cut 40% of its non-field workers and shortly after it engaged in stock buybacks—despite its layoffs, the company expects about \$3 million of its PPP loan to be forgiven.
- **Luby’s Inc.**, which operates burger franchises such as Fuddruckers—took \$10 million in PPP loans after furloughing “substantially all employees” at its dine-in locations plus furloughing and halving pay for others—then, in June 2020, the company announced its intention to sell its businesses and assets and give the proceeds to shareholders.
- **Christopher & Banks Corporation** took a \$10 million PPP loan after it began furloughing all of its store workers and most of its warehouse employees—the company credited these furloughs for most of the \$10.7 million it saved in 2020’s first quarter, when it also posted over \$3.7 million in gross profit.
- **Full House Resorts** laid off 98-percent of its employees on April 23, 2020 – and just 10 days later, the company received over \$3.3 million in PPP funding.
- **Lazydays Holdings**, one of the largest RV dealers in the world, received \$8.7 million in PPP loans across multiple subsidiaries throughout April. At the beginning of April, before taking any loans, Lazydays announced it had reduced its workforce by approximately 25-percent.
- **ONE Group Hospitality**, which services “high-end venues” per its company profile, received a total of \$18.3 from the PPP program, after announcing “significant reductions in employees” at the end of March.
- **IMH Financial Corporation** received a total of \$1.8 million in PPP loans, with one loan to “IMH Management Services” in the amount of \$350,000 to \$1 million on April 11, 2020. Per state of California employment announcements, the IMH Management loan was received just over a week after 180 employees at IMH’s MacArthur Place Hotel were being furloughed, and came two days before the layoffs went into effect.

GEE Group Inc. Took \$19.9 Million In PPP Loans Shortly After Laying Off Workers And Adding Three New Board Members Who Were All Poised To Hold Millions Of Company Shares And Earn Stock Options.

GEE Group Inc. Laid Off Workers Shortly Before Taking Over \$19.9 Million In PPP Loans.

In The First Quarter Of 2020, GEE Group Inc. Disclosed \$537,000 In Costs Associated In “Personnel-Related Costs With Former Employees Laid Off, Effective March 25, 2020” In Response To The Coronavirus Pandemic. “Approximately \$537 of the Company’s SG&A [Selling, General and Administrative Expenses] incurred in the quarter ended March 31, 2020, represents personnel-related costs associated with former employees laid off, effective March 25, 2020, in response to the downturn associated with the coronavirus outbreak.” [SEC – GEE Group Inc. 10-Q, [05/15/20](#)]

As Of May 4, 2020, GEE Group And Its Subsidiaries Took \$19,926,000 In PPP Loans. “Between April 29 and May 4, 2020, the Company was able to obtain CARES Act relief financing under the Paycheck Protection Program (‘PPP Loans’) for each of its operating subsidiaries, in the aggregate amount of \$19,926.” [SEC – GEE Group Inc. Form 10-Q, [05/15/20](#)]

GEE Group Claimed The PPP Loans Were “Absolutely Critical To Our Ability To Maintain Operations, Including The Employment Of Our Temporary And Full-Time Employees.” “These funds are the only source of financing available to our companies and businesses and are absolutely critical to our ability to maintain operations, including the employment of our temporary and full-time employees, in order to produce and meet our foreseeable liquidity requirements in the midst of this continuing worldwide pandemic.” [SEC – GEE Group Inc. Form 10-Q, [05/15/20](#)]

GEE Group Used Its PPP Loans To “Bring Back Furloughed Employees”—Likely Different From Those Who Had Been Laid Off—And To “Restore Compensation Levels” And “Selectively Add New Talent.”

GEE Group Claimed Its PPP Loans “Allowed The Company To Restore Compensation Levels And Gradually Bring Back Furloughed Employees And Selectively Add New Talent.” “Subsequent to the implementation of the reductions in personnel and reductions in wages, GEE Group secured funds from the CARES Act Payroll Protection Plan (‘PPP’) as described above. This allowed the Company to restore compensation levels and gradually bring back furloughed employees and selectively add new talent.” [MarketWatch, [05/15/20](#)]

A Furlough Is A “Temporary Leave Of Absence” Whereas A Layoff “Is Generally Considered A Separation From Employment.” “A furlough is a mandatory temporary leave of absence from which the employee is expected to return to work or to be restored from a reduced work schedule. [...] A layoff is generally considered a separation from employment due to a lack of work available.” [Society for Human Resource Management, accessed [06/15/20](#)]

Shortly After Laying Off Workers, GEE Group Added Three Board Members Who Were All Poised To Hold Millions Of Shares And Earn Stock Options.

April 3, 2020: Headline: GEE Group Adds Three Members To Its Board Of Directors. [Yahoo! Finance, [04/03/20](#)]

2019: GEE Group's Directors Together Held Tens Of Millions Of Shares Of Company Stock:

Name and Address of Beneficial Owner, Directors and Executive Officers	Amount and Nature of Beneficial Ownership	Percent of Class (1)
Derek Dewan	443,266(2)	3.39 %
Ronald R. Smith	5,464,369(3)	41.75 %
Dr. Arthur Laffer	394,140(4)	3.01 %
Darla Moore	167,030(5)	1.28 %
Peter Tanous	302,280(6)	2.31 %
William Isaac	330,780(7)	2.53 %
George A. Bajalia	568,571(8)	4.34 %
Alex Stuckey	1,869,320(9)	14.28 %
Kim Thorpe	118,020(10)	*
Current directors and executive officers as a group (9 individuals)	9,657,776	73.83 %
5% or Greater Holders		
Brittany M. Dewan as Trustee of the Derek E. Dewan Irrevocable Living Trust II dated the 27th of July, 2010	861,082(11)	6.58 %

[SEC – GEE Group Inc. Form 10-K, [12/23/20](#)]

Good Times Restaurants Inc. Laid Off Workers Shortly Before Taking \$11.6 Million In PPP Loans, Which It Said Would Be Used To Restore Pay For Management, Including Executive Officers.

Good Times Restaurants Inc. And Its Subsidiaries Took \$11.6 Million In PPP Loans Shortly After It Laid Off Workers.

May 7, 2020: Good Times Restaurants Inc. And Three Of Its Subsidiaries Took At Total Of \$11,645,000 In PPP Loans. “On May 7, 2020, Good Times Restaurants Inc., and three of its wholly-owned subsidiaries, BDI, Drive Thru. and BD of Colo (each a ‘Borrower’), entered into unsecured loans in the aggregate principal amount of \$11,645,000 (the ‘Loans’) with Cadence Bank, N.A. (the ‘Lender’) pursuant to the Paycheck Protection Program (the ‘PPP’), which is sponsored by the Small Business Administration (the ‘SBA’). The PPP is part of the Coronavirus Aid, Relief and Economic Security Act (the ‘CARES Act’).” [SEC – Good Times Restaurants Form 10-Q, [05/15/20](#)]

In The Weeks Prior To The PPP Loan, Good Times Restaurants Had “Employee Lay-Offs,” In Addition To “Pay Reductions At All Levels Of Management, Including Significant Reductions Among Executive Officers.” “Business update from Ryan Zink, President and CEO of Good Times Restaurants: [...] The weeks that ensued thereafter included many difficult decisions, including pay reductions at all levels of management, including significant reductions among executive officers, as well as employee lay-offs, all in the name of survival.” [Good Times Restaurants, [05/14/20](#)]

Good Times’ President And CEO Said The PPP Loans Would Be Used To “Restore Pay For Restaurant Management” Following The Company’s “Pay Reductions At All Levels Of Management, Including Significant Reductions Among Executive Officers.”

The Company’s President And CEO Said Good Times’ PPP Loans Would Be Used To “Restore Pay For Restaurant Management And Support Staff That Was Reduced In March.” “We applied for PPP loans, which were funded on May 7th, and we will use these funds to increase payroll as we re-hire employees and restore pay for restaurant management and support staff that was reduced in March. Without this funding, we would not be able to do so.” [Good Times Restaurants, [05/14/20](#)]

Good Times Restaurants Had “Pay Reductions At All Levels Of Management, Including Significant Reductions Among Executive Officers.” “Business update from Ryan Zink, President and CEO of Good

Times Restaurants: [...] The weeks that ensued thereafter included many difficult decisions, including pay reductions at all levels of management, including significant reductions among executive officers, as well as employee lay-offs, all in the name of survival.” [Good Times Restaurants, [05/14/20](#)]

A. M. Castle & Co. Took A \$10 Million PPP Loan Before Disclosing It Cut Staff, Hours, And Pay (With Plans For Further Cuts), Despite The Fact Its President And CEO Said The Company Was Poised To “Maintain Positive Operational Performance” During The Pandemic.

A. M. Castle & Co. Took A \$10 Million PPP Loan Before Disclosing That It Has And Plans To Continue “Staff Reductions, Reductions In Employee Work Hours And/Or Salaries, Furloughs, Temporary Layoffs, Or A Combination Of These Actions.”

April 28, 2020: A. M. Castle & Co. Agreed To A \$10 Million PPP Loan. “The Company qualified under the ‘alternative size standard’ for a forgivable loan under the Paycheck Protection Program (‘PPP’) administered by the Small Business Association (SBA) pursuant to the CARES Act. On April 28, 2020, the Company entered into an unsecured PPP loan in the aggregate principal amount of \$10.0 million, which is to be used only for payroll expenses, rent, utilities, mortgage interest, and interest on other pre-existing indebtedness (the ‘PPP Loan’).” [SEC – A. M. Castle & Co. Form 10-Q, [05/15/20](#)]

May 15, 2020: A. M. Castle Disclosed That It “Has Implemented And Plans To Continue To Implement, As Necessary, Staff Reductions, Reductions In Employee Work Hours And/Or Salaries, Furloughs, Temporary Layoffs, Or A Combination Of These Actions.” “As the Company continues to respond to the unfavorable global economic conditions resulting from the COVID-19 pandemic, it plans to take the necessary steps to align its operating costs and expenses with a decrease in customer and supplier forecasts and output. [...] Further, the Company has implemented and plans to continue to implement, as necessary, staff reductions, reductions in employee work hours and/or salaries, furloughs, temporary layoffs, or a combination of these actions at each of its branches and at its corporate offices.” [SEC – A. M. Castle & Co. Form 10-Q, [05/15/20](#)]

A. M. Castle’s President And CEO Said The Company’s Strategy Will Allow It To “Maintain Positive Operational Performance” During The Pandemic.

A. M. Castle’s President And CEO Said The Company Had Implemented “A Business Strategy That Will Allow Us To Maintain Positive Operational Performance, Even During Periods Of Economic Downturn Such As The One We Are Experiencing Now.” President and CEO Marec Edgar said, “[o]ver the last several years, we have been focused on the implementation of a business strategy that will allow us to maintain positive operational performance, even during periods of economic downturn such as the one we are experiencing now.” [A. M. Castle & Co., [05/14/20](#)]

Hallador Energy Company, Which Has Ties To The Trump Administration, Took A \$10 Million PPP Loan Shortly After Its Subsidiary Laid Off Workers, But Expected Part The Loan To Be Forgiven.

Hallador Energy Company Took A \$10 Million PPP Loan Shortly After Its Subsidiary Sunrise Coal Laid Off 60 Workers In March 2020 And 90 Workers In January 2020.

April 16, 2020: Hallador Energy Company Agreed To A \$10 Million PPP Loan. “On April 16, 2020, we entered into a promissory note evidencing an unsecured loan in the amount of \$10 million made to the Company under the Paycheck Protection Program (the “Loan”). The Paycheck Protection Program (or “PPP”) was established under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) and is administered by the U.S. Small Business Administration.” [SEC – Hallador Energy Company Form 10-Q, [05/11/20](#)]

March 17, 2020: Hallador Energy Company Announced Its Subsidiary Sunrise Coal LLC Laid Off 60 Workers At Its Mine In Sullivan County, Indiana.. “Terre Haute-based Hallador Energy Co. (Nasdaq: HNRG) has announced its subsidiary Sunrise Coal LLC has laid off 60 employees. The move comes a week after Hallador detailed plans to permanently close its Carlisle Mine in Sullivan County.” [Inside Indiana Business, [03/17/20](#)]

January 2020: Hallador Energy Company Idled The Sullivan County Mine, Which Led To Layoffs Of 90 Workers. “The company idled production at the mine in January, which led to the layoffs of 90 employees.” [Inside Indiana Business, [03/17/20](#)]

Hallador Energy Expected Part Of The Loan To Be Forgiven.

In Hallador Energy’s First Quarter Earnings Call, Its President And CEO Said, “The Company Expects A Portion Of The [PPP] Loan To Be Forgiven By Maintaining Current Staffing Levels Through June 30, 2020.” “Brent Bilsland - President, CEO & Chairman [...] On April 16, Hallador received a \$10 million loan under the Paycheck Protection Program. According to the current guidelines from the SBA and the U.S. Treasury Department, Hallador has appropriately qualified and received said funds. Hallador is utilizing the PPP funds to pay 2 months of payroll and other covered expenses. Under the terms of the CARES Act, the company expects a portion of the loan to be forgiven by maintaining current staffing levels through June 30, 2020.” [Seeking Alpha, [05/12/20](#)]

Hallador’s Sunrise Coal Had 760 Employees, Exceeding PPP’s Small Business Focus

“Some Have Questioned If Hallador Energy Should Qualify As A Small Business,”—Sunrise Coal Alone Had About 760 Employees As Of April 24, 2020. “Some have questioned if Hallador Energy should qualify as a small business. Its main subsidiary, Sunrise Coal, calls itself the second-largest coal producer in the state, with about 760 employees.” [WFYI, [04/24/20](#)]

- **PPP Was Meant For Businesses Under 500 Employees.** “The program is primarily intended to benefit small businesses — defined as those with fewer than 500 employees — hurt by the coronavirus pandemic.” [National Public Radio, [4/21/20](#)]

Hallador Hired Former EPA Administrator Scott Pruitt As A Lobbyist While A Former Executive Became A Senior Trump Energy Department Official.

Another Hallador Subsidiary, Rail Point Solutions, Hired The Trump Administration’s Former EPA Administrator Scott Pruitt To Lobby For Its Efforts To “Keep Coal Alive In Indiana.” “Another one of the company’s subsidiaries, Rail Point Solutions, hired former Environmental Protection Agency administrator Scott Pruitt as a coal lobbyist in Indiana.” [WFYI, [04/24/20](#)]

- **Hallador Hired Pruitt To “Keep Coal Alive In Indiana.”** “Hallador has fought to keep coal alive in Indiana, even hiring former EPA chief Scott Pruitt to lobby in the state.” [Indianapolis Star, [04/24/20](#)]

Hallador / Sunrise Coal’s Former Communications And Government Affairs Director Is Currently A Senior Official In The Trump Energy Department. “And a former company executive now serves in the U.S. Department of Energy.” [Indianapolis Star, [04/24/20](#)]

- **Chief of Staff and Senior Advisor in the Office of Nuclear Energy Suzanne Jaworowski Was Previously Communications and Government Affairs Director for Sunrise Coal, LLC / Hallador Energy Company.** [U.S. Department of Energy, accessed [06/23/20](#)]

Independence Contract Drilling, Inc. Took A \$10 Million PPP Loan Before Disclosing That It Cut 40% Of Its Non-Field Workers, And Shortly After Resuming Stock Buybacks—Despite Its Layoffs, The Company Expected About \$3 Million Of Its PPP Loan To Be Forgiven.

Independence Contract Drilling, Inc. Took A \$10 Million PPP Loan Before Disclosing That It Cut Its Non-Field Staff By 40%.

April 27, 2020: Independence Contract Drilling, Inc. Agreed To A \$10 Million PPP Loan. “On April 27, 2020, we entered into an unsecured loan in the aggregate principal amount of \$10.0 million (the ‘PPP Loan’) pursuant to the Paycheck Protection Program (the ‘PPP’), sponsored by the Small Business Administration (the ‘SBA’) as guarantor of loans under the PPP.” [SEC – Independence Contract Drilling, Inc. Form 10-Q, [05/07/20](#)]

May 7, 2020: Independence Contract Drilling, Inc. Disclosed That One Of The Measures It Took In Response To COVID-19 Was “Reducing Headcount For Non-Field-Based Personnel By Approximately 40%.” “Due to these rapidly declining market conditions, we took the following actions at the end of the first quarter of 2020 in order to reduce our cost structure: [...] Reducing headcount for non-field-based personnel by approximately 40%.” [SEC – Independence Contract Drilling, Inc. Form 10-Q, [05/07/20](#)]

Independent Contract Drilling Conceded That Layoffs Meant The Full PPP Loan Would Not Be Forgiven But Still Expected Not To Repay About \$3 Million.

Independent Contract Drilling’s EVP & CFO: “We Do Not Expect The Full Amount Of Loan To Be Forgiven” Due To The Company’s Recent Layoffs But Projected That About \$3 Million Of Its Loan Would Be Forgiven. “Philip Choyce - Executive Vice President & Chief Financial Officer [...] The amount forgiven is based on a comparison of the company's pre-COVID headcount compared to the eight-week period following receiving the loan. Because the company had already begun reducing headcount beginning in March prior to receiving the loan, we do not expect the full amount of loan to be forgiven. Additional guidance is expected from the government on how loan forgiveness will be calculated, but we are operating right now under the assumption of approximately \$3 million will be forgiven.” [Seeking Alpha, [05/07/20](#)]

Independence Contract Drilling Resumed Stock Buybacks In March 2020—The Month COVID-19 Was Declared A National Emergency.

October 1 To December 31, 2019: Independence Contract Drilling, Inc. Had \$480,232 In Stock Buybacks. [SEC – Independence Contract Drilling, Inc. Form 10-K, [03/02/20](#)]

January 1 To February 29, 2020: Independence Contract Drilling, Inc. Did Not Have Any Stock Buybacks. [SEC – Independence Contract Drilling, Inc. Form 10-Q, [05/07/20](#)]

March 1 To March 31, 2020: Independence Contract Drilling, Inc Had \$66,582 In Stock Buybacks. [SEC – Independence Contract Drilling, Inc. Form 10-Q, [05/07/20](#)]

- **The COVID-19 Pandemic Was Declared A National Emergency On March 13, 2020.** [The White House, [03/13/20](#)]

Restaurant Chain Operator Took \$10 Million In PPP Loans After Furloughing “Substantially All Employees” At Its Dine-In Locations As Well As Other Staff—Two Months Later The Company Announced Plans To Sell Its Businesses And Assets And Give The Proceeds To Shareholders.

Fuddruckers Restaurants Owner Luby's Inc. Took \$10 Million In PPP Loans After Furloughing "Substantially All Employees" At Its Dine-In Locations—As Of June 5, Many Of These Employees Appeared To Still Be Furloughed, In Addition To Halved Pay And Furloughs For Most Of The Company's Administrative Staff.

April 21, 2020: Luby's Inc., Owner Of Fuddruckers And Luby's Cafeterias Restaurant Chains, Agreed To A \$10 Million PPP Loan. "On April 21, 2020 we entered into a promissory note with Texas Capital Bank, N.A., effective April 12, 2020 that provides for a loan in the amount of \$10.0 million (the 'PPP loan') pursuant to the Paycheck Protection Program under the Coronavirus Aid, Relief and Economic Security Act (the 'CARES Act')." [SEC – Luby's, Inc. Form 10-Q, [06/05/20](#)]

- **Luby, Inc.'s "Primary Brands Include Luby's Cafeteria, Fuddruckers - World's Greatest Hamburgers®, Luby's Culinary Contract Services And Cheeseburger In Paradise."** [SEC – Luby's, Inc. Form 10-Q, [06/05/20](#)]

March 17, 2020: Luby's Inc. Began Suspending On-Premise Dining At Its Restaurants And "Substantially All Employees At Those Locations Were Placed On Furlough." "The spread of the COVID-19 pandemic has affected the United States economy, our operations and those of third parties on which we rely. Beginning on March 17, 2020, we began suspending on-premise dining at our restaurants and substantially all employees at those locations were placed on furlough." [SEC – Luby's, Inc. Form 10-Q, [06/05/20](#)]

By March 31, 2020: Luby's Inc. Suspended On-Premise Dining At 118 Of Its Restaurants And Suspended All Activity At 87 Of Its Other Locations. "By March 31, 2020 we had suspended on-premise dining at all 118 of our company-owned restaurants and had suspended all operations at 50 of our Luby's Cafeteria's, 36 company-owned Fuddruckers restaurants and our one Cheeseburger in Paradise restaurant." [SEC – Luby's, Inc. Form 10-Q, [06/05/20](#)]

- **By Early May 2020, Only 39 Of Luby's Inc.'s Locations Were Reopened For Limited Dine-In Service.** "In early May, Luby's began to reopen restaurants for limited dine-in service, starting with those that had been offering food-to-go service. As of June 3, 31 Luby's Cafeteria locations and eight company-owned Fuddruckers restaurants are operating with limited dine-in capacity." [Houston Business Journal, [06/03/20](#)]

June 5, 2020: Luby's Inc. Placed More Than Half Of Its General And Administrative Staff On Furlough And Halved Salaries For Other General And Administrative Staff. "In addition, more than 50 percent of our general and administrative staff were placed on furlough and salaries were temporarily reduced by 50 percent for the remaining general and administrative staff and other salaried employees, including all senior management. Furthermore, our franchise owners suspended operations or moved to limited food-to-go operations at their locations, reducing the number of franchise locations in operation to 37 by early April 2020 from 90 prior to the COVID-19 pandemic." [SEC – Luby's, Inc. Form 10-Q, [06/05/20](#)]

June 3, 2020: Luby's Inc. Announced It Intended To Sell Its Operating Divisions And Assets And Give The Proceeds To Stockholders With The "Objective Of Maximizing Stockholder Value."

June 3, 2020: Luby's Inc. Announced Its Intention To Sell Its "Operating Divisions And Assets ... And Distribute The Net Proceeds To Stockholders After Payment Of Debt And Other Obligations." June 3, 2020: "Luby's, Inc. (NYSE: LUB) today announced it will immediately pursue the sale of its operating divisions and assets, including its real estate assets, and distribute the net proceeds to stockholders after payment of debt and other obligations." [Luby's, Inc., [06/03/20](#)]

Luby's Inc.: "Net Proceeds Obtained From Any Such Transactions [...] Will Ultimately Be Distributed To Luby's Stockholders." "Luby's will explore a variety of potential transactions, including selling the Company's operating divisions: Luby's Cafeteria, Fuddruckers, and Culinary Contract Services, as well as its real estate, or selling the Company in its entirety. Net proceeds obtained from any such transactions, after satisfying the

Company's debt and other obligations, will ultimately be distributed to Luby's stockholders." [Luby's, Inc., [06/03/20](#)]

The Decision Came After Luby's Inc.'s Board Weighed Multiple Options With The "Objective Of Maximizing Stockholder Value." "The decision by the Company's Board of Directors follows a comprehensive review of the Company's operations and assets led by a Special Committee of the Board of Directors comprised of independent directors including Gerald Bodzy, Twila Day, Joe McKinney, Gasper Mir, John Morlock, and Randolph Read; Messrs. Bodzy and Read Co-Chaired the Committee. The Special Committee, with the assistance of financial and legal advisors, reviewed a range of strategic alternatives available to the Company with the objective of maximizing stockholder value." [Luby's, Inc., [06/03/20](#)]

Luby's Inc.'s Board "Concluded A Monetization Process Will Likely Unlock More Value More Quickly And With Greater Certainty For The Benefit Of All Luby's Stockholders Than The Other Alternatives." "After a careful and thorough review of the Company's operations (including the impact of COVID-19) and the Company's strategic options, the Board concluded a monetization process will likely unlock more value more quickly and with greater certainty for the benefit of all Luby's stockholders than the other alternatives considered by the Special Committee." [Luby's, Inc., [06/03/20](#)]

Christopher & Banks Corporation Took A \$10 Million PPP Loan After It Began To Furlough All Of Its Store Workers And Most Of Its Warehouse Employees—The Company Credited Furloughs For Most Of The \$10.7 Million It Saved In Q1 2020, When It Posted Over \$3.7 Million In Gross Profit.

Christopher & Banks Corporation Took A \$10 Million PPP Loan After It Began Furloughing All Of Its Store Workers And Most Of Its Distribution Center Workers.

Early June 2020: Christopher & Banks Corporation Took A \$10 Million PPP Loan. "Additionally, in early June 2020, the Company applied for and received \$10.0 million in loan proceeds under the Paycheck Protection Program (the "PPP") of the Coronavirus Aid, Relief, and Economic Security Act (the 'CARES Act') on March 27, 2020." [SEC – Christopher & Banks Corporation Form 10-Q, [06/15/20](#)]

June 15, 2020: Christopher & Banks Disclosed Furloughing "All Store And Most Distribution Center And Corporate Associates," Still Providing Benefits To Furloughed Associates. "In response to the COVID-19 pandemic and the temporary closing of stores, the Company temporarily furloughed all store and most distribution center and corporate associates, but continues to provide benefits to furloughed associates." [SEC – Christopher & Banks Corporation Form 10-Q, [06/15/20](#)]

- **Christopher & Banks Announced Its Furloughs And Pay Reductions On March 31, 2020.** "Implementation of furloughs for all store associates and over 60% of the remainder of its workforce. The employees on furlough will continue to receive employee benefits, including medical, dental, and vision benefits at this time." [Christopher & Banks, [03/31/20](#)]

Christopher & Banks Began Cutting Base Salary Reductions By At Least 20% For Corporate And Management Employees. "As previously announced, corporate employees and management have received temporary base salary reductions beginning with 20% and up to 50% for the CEO." [SEC – Christopher & Banks Corporation Form 10-Q, [06/15/20](#)]

Christopher & Banks Saved \$10.6 Million In 2020's First Quarter, Primarily Due To Its Furloughs, And Made Over \$3.7 Million In Profit That Same Quarter.

Christopher & Banks Said Its First Quarter Cost Savings Of \$10.6 Million Was "Primarily Related To The Reduction Of Labor Expenses Related To Furloughs [...] As Well As Temporary Salary Reductions." "Christopher & Banks Corporation (OTC: CBKC), a specialty women's apparel retailer, today reported results for the first quarter ended May 2, 2020. [...] Selling, general & administrative expenses

“SG&A”) decreased to \$18.5 million from \$29.2 million in the prior year period. The was the result of \$10.6 million in cost savings primarily related to the reduction of labor expense related to furloughs at the store and corporate level as well as temporary salary reductions.” [Christopher & Banks Corporation, [06/12/20](#)]

Christopher & Banks Made \$3,724,000 In Gross Profit For The Thirteen Weeks Ended May 2, 2020. [SEC – Christopher & Banks Corporation Form 10-Q, [06/15/20](#)]

Full House Resorts Laid Off 98% Of Its Workforce Just Over A Week Before One Of Its Subsidiaries Received Nearly \$3.4 Million In PPP Relief.

April 23, 2020: Full House Resorts, Inc. Announced That It Had Laid Off 98% Of Its Employees. “As a result of our closures, we’ve been forced to lay off 98% of our team members, which has been painful for everyone at our Company.” [Full House Resorts, Inc. Schedule 14A, [04/23/20](#)]

- **“Full House Resorts, Inc. Develops, Owns, Operates And Manages Casinos And Related Hospitality And Entertainment Facilities In Regional U.S. Markets.”** [Full House Resorts, accessed [06/10/20](#)]

May 3, 2020: Gaming Entertainment (Indiana) LLC, A Subsidiary Of Full House Resorts, Inc., Received \$3,393,900 In PPP Loan Funding. [Gaming Entertainment (Indiana) LLC Promissory Note, [05/03/20](#); List Of Subsidiaries Of Full House Resorts, accessed [06/10/20](#)]

Subsidiaries Of Lazydays Holdings, A Large RV Dealer, Received Over \$8.7 Million Across Multiple PPP Loans - Just Weeks After Reducing Their Workforce By “Approximately 25-Percent.”

April 6, 2020: Lazydays Holdings, Inc. Announced That It Had “Reduce[d] Its Workforce By Approximately 25-Percent.” [Lazydays Holdings, Inc. Press Release, [04/06/20](#)]

Lazydays Is One Of The Largest RV Dealers In The World. “Lazydays, The RV Authority™, is an iconic brand in the RV industry. Home of the world’s largest recreational vehicle dealership, based on 126 acres outside of Tampa, Florida, Lazydays has eight dealership locations in Arizona, Colorado, Florida, Minnesota, and Tennessee.” [Lazydays Holdings, Inc., accessed [06/10/20](#)]

Subsidiaries Of Lazydays Holdings Applied For Two More Rounds Of PPP Funding, Totaling \$1,872,705. “On April 28, 2020, certain of the Company’s subsidiaries executed promissory notes (the ‘Notes’) in favor of the Lender for PPP Loans in an aggregate amount of \$6,831,250. [...] Applications were submitted by other subsidiaries of the Company, which resulted in the execution of a promissory note on April 30, 2020 for \$1,236,040 and on May 4, 2020 for \$636,665.” [SEC - Lazydays Holdings, Inc. 10-Q, [5/8/20](#)]

April 28, 2020: Lazydays Holdings Subsidiaries Received \$6,831,250 In PPP Loans. “On April 28, 2020, certain of the Company’s subsidiaries executed promissory notes (the ‘Notes’) in favor of the Lender for PPP Loans in an aggregate amount of \$6,831,250.” [Lazydays Holdings, Inc. Form 8-K, [05/04/20](#)]

One Group Hospitality Made “Significant Reductions In Employees” A Little Over A Month Before Two Of Its Subsidiaries Received Over \$18 Million In PPP Relief.

March 26, 2020: One Group Hospitality, Inc. Stated In Its Annual Report That It Had Undergone “Significant Reductions In Employees” Due To COVID-19. “We have implemented measures to reduce our costs during the COVID-19 period, including significant reductions in employees, deferral of capital projects, and we expect to return to more normal operations late in the second quarter of 2020 or early in the third quarter of 2020.” [One Group Hospitality, Inc. Form 10-K, [03/26/20](#)]

May 4, 2020: Two Subsidiaries Of One Group Hospitality, Inc. Received A Total Of \$18.3 Million In PPP Loans. [One Group Hospitality, Inc. Form 8-K, [05/08/20](#)]

One Group Hospitality “Provides Hospitality Management Services For Hotels, Casinos And Other High-End Venues.” “The ONE Group (NASDAQ:STKS) is a global hospitality company that develops and operates upscale, high-energy restaurants and lounges and provides hospitality management services for hotels, casinos and other high-end venues both nationally and internationally.” [One Group Hospitality, Inc. Company Profile, accessed [06/10/20](#)]

IMH Financial Notified Employees At Its Macarthur Place Hotel Company That They Would Be Laid Off Shortly Before It Received COVID-19 Relief, Ultimately Receiving Up To Approximately \$1.8 Million In PPP Loans.

April 2020: IMH Financial Received Approximately \$1.8 Million In PPP Loans On Behalf Of Its Corporate Offices And Its MacArthur Place Hotel. “The Company applied for two (2) PPP loans, one on behalf of the Company’s corporate offices and the other for MacArthur Place, both of which were approved and funded in April 2020 for approximately \$1.8 million in the aggregate.” [IMH Financial Corporation Form 10-Q, [05/15/20](#)]

May 15, 2020: IMH Financial Announced It Had Furloughed Employees At Its MacArthur Place Hotel While Keeping Open The Possibility Of Future Furloughs. “As a result of the uncertainty with respect to when the MacArthur Place hotel may reopen, we furloughed certain hotel employees. Further employee furloughs or layoffs may be necessary in the future.” [IMH Financial Corporation Form 10-Q, [05/15/20](#)]

- **According to the San Francisco Chronicle, Macarthur Place Hotel Laid Off 180 Employees.** [“Bay Area Layoff Tracker,” *San Francisco Chronicle*, accessed [06/11/20](#)]
- **The State of California Reported That 180 Employees At “L’Auberge De Sonoma Resort Management, LLC DBA MacArthur Place Hotel” Were Laid Off Effective April 13, 2020 And Given Notice April 3, 2020.** [“WARN Report: WARN notices processed from July 1, 2019, to present,” *California Employment Development Department*, accessed [06/11/20](#)]

TransAct Technologies Received Nearly \$2.2 Million In COVID-19 Relief, Despite Having Made A Recent \$10 Million Credit Agreement, Paying Out Over \$3 Million In Executive Compensation, And Furloughing 10-Percent Of Its Workforce (And Cutting Pay For The Rest).

TransAct Technologies Received Nearly \$2.2 Million Under The Paycheck Protection Program.

May 1, 2020: TransAct Technologies Received \$2,172,800 In PPP Money. “On May 1, 2020 (the ‘Loan Date’), TransAct Technologies Incorporated (the ‘Company,’ ‘we,’ ‘our,’ or ‘us’) was granted a loan (the ‘Loan’) from Berkshire Bank (the ‘Lender’) in the aggregate amount of \$2,172,800, pursuant to the Paycheck Protection Program (the ‘PPP’) administered by the Small Business Administration (the ‘SBA’) and established under Division A, Title I of the CARES Act, which was enacted March 27, 2020.” [Securities and Exchange Commission, TransAct Technologies Inc., Form 8-K, [5/1/20](#)]

TransAct Technologies Is A “Global Leader” In Software Technology For Sectors Including Banking, Casinos And Gaming, And Oil And Gas. “TransAct Technologies Incorporated is a global leader in developing software-driven technology and printing solutions for high-growth markets including restaurant solutions, POS automation, casino and gaming, lottery, and oil and gas.” [TransAct Investor Relations, accessed [5/6/20](#)]

March 2020: TransAct Announced A \$1.75 Million Cost Reduction Plan That Would Furlough 10-Percent Of Its Workforce And Cut Pay Of Remaining Workers.

March 24, 2020: TransAct Technologies Announced \$1.75 Million Cost Reduction Plan. “In response to the novel coronavirus (COVID-19) pandemic we have postponed any further increases in spending and have implemented a number of cost reduction initiatives. We expect the actions that we are taking to reduce overhead and operating expenses by approximately \$1.75 million from our estimated Q1 2020 quarterly run-rate.” [Securities and Exchange Commission, TransAct Technologies, Form 8-K, EX-99.1, [3/24/20](#)]

- **TransAct Furloughed 10 Percent Of Its Workforce.** “Furloughing approximately 10% of our workforce” [Securities and Exchange Commission, TransAct Technologies, Form 8-K, EX-99.1, [3/24/20](#)]
- **TransAct Cut Salaries By 10 Percent.** “10% across the board salary reduction for all salaried, non-commissioned employees” [Securities and Exchange Commission, TransAct Technologies, Form 8-K, EX-99.1, [3/24/20](#)]
- **TransAct Reduced Commissions.** “Reduction in sales commissions for all commissioned employees” [Securities and Exchange Commission, TransAct Technologies, Form 8-K, EX-99.1, [3/24/20](#)]

In The Same Press Release, TransAct Reiterated It Had Access To A Recent \$10 Million Credit Line.

March 24, 2020L TransAct Technologies: “We Recently Announced A New Asset Based Credit Facility Of Up To \$10 Million.” “As a reminder, we recently announced a new asset based credit facility of up to \$10 million. This access to capital provides enhanced liquidity and flexibility for these unprecedented times.” [Securities and Exchange Commission, TransAct Technologies, Form 8-K, EX-99.1, [3/24/20](#)]

2019: TransAct Paid Out Over \$3 Million In Executive Compensation.

2019: TransAct Paid Out \$3,035,783 In Executive Compensation. [Securities and Exchange Commission, TransAct Technologies, Form DEF 14A, [4/23/20](#)]

SUMMARY: As schools across the country move to reopen during the COVID-19 crisis, **dozens of education technology and virtual schools (most of them charter schools) took up to \$42.3 million in government aid meant for struggling small businesses despite the pandemic boosting their business model.**

Up to \$41.4 million of these funds were awarded under the controversial Paycheck Protection Program with nearly \$1 million awarded under the lower-profile Economic Injury Disaster Loan program. **At least four organizations took funds from both the PPP and EIDL programs.**

The funds come after the Trump administration moved to spur online learning before and during the pandemic and call into question whether this was an industry that truly needed small business relief.

Recipients include:

- **The American Virtual Academy took up to \$5 million in PPP funds.** AVA runs Primavera Online School and “received a high number of inquiries about the school” over summer 2020. From 2017 to 2018, CEO Damian Creamer paid himself \$10.1 million “out of public funds set aside to educate students.” Separately, Creamer’s EdTech firm, **StrongMind, Inc., also took up to \$5 million in PPP funds.**
- **Khan Academy took up to \$5 million in PPP funds.** The nonprofit, which provides K-12 learning support to teachers, parents, and children, took the funds despite an “explosion” in traffic amid COVID. Additionally, Khan received an additional \$3 million in July 2020 from the Amgen Foundation to “support science learning and educational equity amid COVID-19.” The Amgen Foundation committed “nearly \$7 million over five years to advance Khan Academy’s science lessons and public school partnerships.”
- **Seesaw Learning Inc. took up to \$1 million in PPP funds despite already being in half of all US schools as of 2018.** The major EdTech provider took the funds despite as much as \$13 million in venture capital backing and penetration into “half of all U.S. schools” as of 2018.
- **Houghton Academy, a partner with K12 Inc., took up to \$350,000 in PPP funds.** In July 2020, Houghton launched Houghton Academy Online in partnership with major EdTech company K12 Inc. K12 Inc. is a publicly traded company whose core business is managing public, private, and charter online programs. During its April Q3 earnings call, K12’s CEO said there was an “upside to the pandemic in our business” and “our phones began to ring off the hook and we saw a sharp increase in traffic on our website
- **At least four additional virtual schools took up to \$2.7 million in PPP and EIDL despite increased enrollment inquiries or curriculum offerings.** Online charter school Quaker Digital Academy took up to \$1 million in PPP funds the same day it was reported the school would “add a second online school for students K-8 called Quaker Prep Academy.” Charter school Gem Prep Online took up to \$350,000 in PPP funds despite reporting a 40-percent increase in enrollment as of July 2020. Charter school iLEAD Online took up to \$350,000 despite their director saying, “We have families contacting us all day every day.” Dwight Global Online School took up to \$350,000 in PPP funds despite a “tenfold increase in admission inquiries.”

Over 20 K-12 Distance Learning Companies Took Up To \$42 Million In Aid Meant For Struggling Small Businesses

EdTech Companies And Virtual Schools (Most Of Them Charters) Took Up To \$42.3 Million Total In COVID Bailout Money. More details can be found in the table below.

RECIPIENT	DESCRIPTION	PPP AMOUNT (LOW)	PPP AMOUNT (HIGH)	EIDL AMOUNT	TOTAL AID AMOUNT (HIGH)
<u>The American Virtual Academy, Inc.</u>	Online charter school and EdTech	\$2,000,000	\$5,000,000	N/A	\$5,000,000
<u>StrongMind, Inc.</u>	EdTech	\$2,000,000	\$5,000,000	N/A	\$5,000,000
<u>Community Collaborative Virtual School DBA Excel Academy or Keppel Partnership</u>	Online charter school	\$2,000,000	\$5,000,000	N/A	\$5,000,000
<u>Pennsylvania Virtual Charter School</u>	Online charter school	\$2,000,000	\$5,000,000	N/A	\$5,000,000
<u>Khan Academy, Inc.</u>	<u>EdTech</u>	\$2,000,000	\$5,000,000	N/A	\$5,000,000
<u>K12 Insight, LLC</u>	EdTech	\$1,000,000	\$2,000,000	\$500,000	\$2,500,000
<u>Academica Virtual Education, LLC</u>	Online charter school and <u>EdTech</u>	\$1,000,000	\$2,000,000	N/A	\$2,000,000
<u>Broadway Typewriter Company dba Arey Jones</u>	EdTech	\$1,000,000	\$2,000,000	N/A	\$2,000,000
<u>iTutor.com, Inc.</u>	EdTech	\$350,000	\$1,000,000	\$150,000	\$1,150,000
<u>Avant Assessment, LLC</u>	EdTech	\$350,000	\$1,000,000	\$150,000	\$1,150,000
<u>Caveon, LLC</u>	EdTech	\$350,000	\$1,000,000	\$150,000	\$1,150,000
<u>Gem Prep: Online, LLC (FKA Idaho Distance Education Academy)</u>	Online charter school	\$350,000	\$1,000,000	N/A	\$1,000,000
<u>Cyber Village Academy, Inc.</u>	Semi-online charter school	\$350,000	\$1,000,000	N/A	\$1,000,000
<u>Esperanza Cyber Charter School</u>	Online charter school	\$350,000	\$1,000,000	N/A	\$1,000,000
<u>Quaker Digital Academy</u>	Online charter school	\$350,000	\$1,000,000	N/A	\$1,000,000
<u>Seesaw Learning, Inc.</u>	EdTech	\$350,000	\$1,000,000	N/A	\$1,000,000
<u>CodeHS, Inc</u>	EdTech	\$350,000	\$1,000,000	N/A	\$1,000,000
<u>Houghton Academy</u>	Online religious school	\$150,000	\$350,000	N/A	\$350,000

Dwight Global Online School	Online school	\$150,000	\$350,000	N/A	\$350,000
iLEAD Online Charter School	Online charter school	\$150,000	\$350,000	N/A	\$350,000
Central City Cyberschool of Milwaukee	Online charter school	\$150,000	\$350,000	N/A	\$350,000
Orion Online Learning, Inc.	Online religious school	N/A	N/A	\$24,000	\$24,000
TOTAL			\$41,400,000	\$974,000	\$42,374,000

[Accountable.US, COVIDBailoutTracker.com, Accessed [9/9/20](#)]

- **The Paycheck Protection Program Was “Set Up To Rescue Small Businesses.”** “And so her company applied for a loan under the first, \$349 billion round of the Paycheck Protection Program, which the federal government had set up to rescue small businesses.” [National Public Radio, [5/4/20](#)]
- **In Response To COVID, Small Businesses Were Able To Apply For Economic Injury Disaster Loans.** “In response to the Coronavirus (COVID-19) pandemic, small business owners, including agricultural businesses, and nonprofit organizations in all U.S. states, Washington D.C., and territories can apply for an Economic Injury Disaster Loan. The EIDL program is designed to provide economic relief to businesses that are currently experiencing a temporary loss of revenue due to coronavirus (COVID-19).” [Small Business Administration, Economic Injury Disaster Loans, Accessed [9/14/20](#)]

At Least 10 EdTech Companies Took Up To \$21.9 Million Total In Money Meant For Struggling Small Businesses.

At Least 10 EdTech Companies Focused On K-12 Distance Learning Took Up To \$21.9 Million Total In COVID Bailout Money.

EdTech Companies Supporting K-12 Distance Learning Took Up To \$21,950,000 Total In COVID Bailout Money. More details can be found in the table below.

RECIPIENT	PPP AMOUNT (LOW)	PPP AMOUNT (HIGH)	EIDL AMOUNT	TOTAL AID AMOUNT (HIGH)
Khan Academy, Inc.	\$2,000,000	\$5,000,000	N/A	\$5,000,000
StrongMind, Inc.	\$2,000,000	\$5,000,000	N/A	\$5,000,000
Academica Virtual Education, LLC	\$1,000,000	\$2,000,000	N/A	\$2,000,000
K12 Insight, LLC	\$1,000,000	\$2,000,000	\$500,000	\$2,500,000
Broadway Typewriter Co. Inc. (aka Arey Jones Educational Solutions)	\$1,000,000	\$2,000,000	N/A	\$2,000,000
iTutor.com, Inc.	\$350,000	\$1,000,000	\$150,000	\$1,150,000
Avant Assessment, LLC	\$350,000	\$1,000,000	\$150,000	\$1,150,000
Caveon, LLC	\$350,000	\$1,000,000	\$150,000	\$1,150,000
Seesaw Learning, Inc.	\$350,000	\$1,000,000	N/A	\$1,000,000
CodeHS, Inc.	\$350,000	\$1,000,000	N/A	\$1,000,000
TOTAL				\$21,950,000

[Accountable.US, COVIDBailoutTracker.com, Accessed [9/9/20](#)]

Khan Academy Took Up To \$5 Million In PPP Funds Despite A “Traffic Explosion” Amid COVID.

Khan Academy Inc Took Up To \$5 Million In PPP. [Accountable.US, COVIDBailoutTracker.com, Accessed [9/10/20](#)]

- **Khan Academy HEADLINE: “How Can Khan Academy Be Used For Distance Learning During School Closures?”** [Khan Academy, [8/20/20](#)]
- **Khan Academy HEADLINE: “Remote Learning With Khan Academy During School Closures”** [Khan Academy, Blog, [3/5/20](#)]
- **AmGen HEADLINE: “Khan Academy Steps Up As COVID-19 Keeps Kids Around The World Home From School”** [AmGen, [3/xx/20](#)]

March 2020 Silicon Valley Business Journal HEADLINE: “Khan Academy Sees A Traffic Explosion As Learning Goes Online” [Silicon Valley Business Journal, [3/26/20](#)]

July 2020: “Amgen Foundation Awards Khan Academy An Additional \$3 Million To Support Science Learning And Educational Equity Amid COVID-19” [Cision, PR Newswire, [7/21/20](#)]

- **“The Amgen Foundation Has Committed Nearly \$7 Million over Five Years To Advance Khan Academy’s Science Lessons And Public School Partnerships.”** “The Amgen Foundation has committed nearly \$7 million over five years to advance Khan Academy's science lessons and public school partnerships. This year, as COVID-19 is expected to cause learning loss and exacerbate inequality in education, the Amgen Foundation and Khan Academy are committed to doing everything they can to keep all students learning. Khan Academy has grown its biology offering, with the Amgen Foundation's support, to more than 380 videos, 150 exercise sets and 250 articles. These free biology lessons are used by students across the country and around the world during distance learning.” [Cision, PR Newswire, [7/21/20](#)]

Seesaw Learning Took Up To \$1 Million In PPP Funds Despite \$13 Million In Venture Capital Backing And Penetration Into “Half Of All U.S. Schools” As Of 2018.

Seesaw Learning Took Up To \$1 Million In PPP Funds. [Accountable.US, COVIDBailoutTracker.com, Accessed [9/10/20](#)]

Seesaw Had Received \$13 Million In Funding From At Least Six Investors As Of February 2018. [Crunchbase, Seesaw Financials, Accessed [9/14/20](#)]

- **February 2018: “Half of all U.S. schools have teachers using Seesaw.”** [TechCrunch, [02/07/18](#)]
- **The SeeSaw App Was “Unranked” At The Beginning Of The Pandemic, But Was In The Top 150 Apps In The App Store As Of May 2020.** “Another app, Seesaw, which allows students to share their work in digital portfolios, grew from being unranked to the top 150 in the app store.” [“Dawn of the Age of Digital Learning,” GSV Ventures via Medium.com, [05/06/20](#)]

StrongMind, Inc. Took Up To \$5 Million In PPP Funds Despite COVID Boost.

StrongMind, Inc. Took Up To \$5 Million In PPP Funds. [Accountable.US, COVIDBailoutTracker.com, Accessed [9/14/20](#)]

- **March 20, 2020: StrongMind Touted Their COVID Offerings To School Districts.** “Concerns over the spread of COVID-19 has caused K-12 schools across the country to postpone classes, raising questions as to what this will mean for the remainder of the school year. While some school districts can turn to existing online programs as an alternative for students should closures remain ongoing, many districts find themselves without an effective method of delivering instruction remotely. In response, StrongMind, a digital learning solutions company based in Chandler, has announced that it has begun providing online courses to schools without existing programs.” [StrongMind, Press Release, [3/20/20](#)]
- **“One Of Arkansas’ Largest Districts Approached StrongMind To Provide Digital Services To Ensure Students Can Complete The School Year With Minimal Interruption.”** [StrongMind, Press Release, [3/20/20](#)]
- **“StrongMind Has Also Begun Discussions With Districts In Arizona And Texas To Provide The Resources For Students To Continue Earning Credits Towards Graduation And Not Face An Extended School Year.”** [StrongMind, Press Release, [3/20/20](#)]

2017-18: StrongMind Founder Damian Creamer Paid Himself \$10.1 Million “Out Of Public Funds Set Aside To Educate Students.” “This is the same company whose CEO, Damian Creamer, managed to pay himself a combined \$10.1 million in 2017 and 2018 out of public funds set aside to educate students. Never mind that fewer than a third of his students could do math and read at grade level or that nearly half were dropping out.” [Arizona Republic, [8/31/20](#)]

- **Creamer’s American Virtual Academy Also Took Up To \$5 Million In PPP Funds.** [Accountable.US, COVIDBailoutTracker.com, Accessed [9/11/20](#)]

At Least A Dozen Virtual Schools (Majority Charter) Took Up To \$20.4 Million Total Meant For Struggling Small Businesses Despite COVID Fueling Enrollment.

At Least A Dozen Virtual Schools, Including 10 Charter Schools, Took Up To \$20.4 Million Total In COVID Bailout Money.

At Least A Dozen Virtual Schools Took Up To \$20,424,000 Under The Paycheck Protection Program. More details can be found in the table below.

RECIPIENT	PPP AMOUNT (LOW)	PPP AMOUNT (HIGH)	TOTAL AID AMOUNT (HIGH)
The American Virtual Academy, Inc.	\$2,000,000	\$5,000,000	\$5,000,000
Community Collaborative Virtual School DBA Excel Academy or Keppel Partnership	\$2,000,000	\$5,000,000	\$5,000,000
Pennsylvania Virtual Charter School	\$2,000,000	\$5,000,000	\$5,000,000
Gem Prep: Online, LLC (FKA Idaho Distance Education Academy)	\$350,000	\$1,000,000	\$1,000,000
Cyber Village Academy, Inc.	\$350,000	\$1,000,000	\$1,000,000
Esperanza Cyber Charter School	\$350,000	\$1,000,000	\$1,000,000
Quaker Digital Academy	\$350,000	\$1,000,000	\$1,000,000
Houghton Academy	\$150,000	\$350,000	\$350,000
Dwight Global Online School	\$150,000	\$350,000	\$350,000
iLead Online Charter School	\$150,000	\$350,000	\$350,000
Central City Cyberschool of Milwaukee	\$150,000	\$350,000	\$350,000
Orion Online Learning, Inc.	N/A	N/A	\$24,000
TOTAL			\$20,424,000

[Accountable.US, COVIDBailoutTracker.com, [7/21/20](#)]

The American Virtual Academy, Which Runs The Booming Primavera Online School, Took Up To \$5 Million In PPP Funds.

The American Virtual Academy, Inc. Took Up To \$5 Million In PPP Funds. [Accountable.US, COVIDBailoutTracker.com, Accessed [9/10/20](#)]

- **American Virtual Academy Runs Primavera Online School.** [Arizona Department of Education, American Virtual Academy, Accessed [9/10/20](#)]
- **Primavera Online School “Received A High Number Of Inquiries About The School” Over Summer 2020.** “Cody Bendix, corporate communications director, said over the summer they received a high number of inquiries about the school.” [Green Valley News, [7/21/20](#)]
- **“Primavera Continues To See Some Enrollment Appears To Be Trending Slightly Higher Than Previous Years.”** [Green Valley News, [7/21/20](#)]

2017-18: American Virtual Academy CEO Damian Creamer Paid Himself \$10.1 Million “Out Of Public Funds Set Aside To Educate Students.” “This is the same company whose CEO, Damian Creamer, managed to pay himself a combined \$10.1 million in 2017 and 2018 out of public funds set aside to educate students. Never mind that fewer than a third of his students could do math and read at grade level or that nearly half were dropping out.” [Arizona Republic, [8/31/20](#)]

- **Creamer’s StrongMind, Inc. Also Took Up To \$5 Million In PPP Funds.** [Accountable.US, COVIDBailoutTracker.com, Accessed [9/11/20](#)]

Quaker Digital Academy Took Up To \$1 Million In PPP Funds Despite “No Disruptions” During COVID, And Added An Additional Online School Option Amid The Pandemic.

May 28, 2020: Quaker Digital Academy Took Up To \$1 Million In PPP Funds. [Accountable.US, COVIDBailoutTracker.com, Accessed [9/10/20](#)]

May 28, 2020: “Quaker Digital Academy Is Preparing To Add A Second Online School For Students K-8 Called Quaker Prep Academy.” [Morning Journal News, [5/28/20](#)]

- **Superintendent And CEO Richard Varrati: “We’re One Of A Very Few Schools That Has Remained Fully Operational With No Disruptions During The Outbreak.”** [Morning Journal News, [5/28/20](#)]

Gem Prep Online Took Up To \$1 Million In PPP Funds Despite A 40 Percent Increase In Enrollment Amid COVID.

Gem Prep: Online, LLC Took Up To \$350,000 In PPP Funds. [Accountable.US, COVIDBailoutTracker.com, Accessed [9/10/20](#)]

July 2020: Gem Prep Online Reported A 40 Percent Increase In Enrollment. “Another virtual school - Gem Prep Online - told KTVB that they have also seen a 40% increase in enrollment this year.” [KTVB, [7/30/20](#)]

Houghton Academy Took Up To \$350,000 In PPP Funds Only To Launch An Online Program In Partnership With Major EdTech Company K12 Inc., Which Brought In \$257 Million In Revenue During Q3 2020.

Houghton Academy Was Affiliated With Major And Controversial EdTech Company K12, Inc.

April 2020: Houghton Academy Took Up To \$350,000 In PPP Funds. [Accountable.US, COVIDBailoutTracker.com, Accessed [9/10/20](#)]

July 14, 2020: Houghton Academy Launched Houghton Academy Online In Partnership With K12, Inc. “Houghton Academy, in partnership with K12 Inc., is pleased to announce the launch of its new online learning platform — Houghton Academy Online. Houghton Academy Online will extend, beyond geographic limitations, the traditional Christian college-preparatory education that Houghton Academy has offered for over 137 years.” [Houghton Academy, [7/14/20](#)]

- **K12, Inc. Is A Publicly Traded EdTech Company Whose Core Business Is Managing Public, Private, And Charter Online Programs.** “Looking forward, K12 now sits squarely in the middle of one of the most important changes in our society – distance and digital learning will become an even more important part of how our children learn. Our core competency in helping public school districts, private schools, and charter schools operate their online programs positions us well given how the education market is likely to change.” [K12 Inc., Press Release, [4/27/20](#)]

- **K12 CEO Saw An “Upside To The Pandemic In Our Business” As “Our Phones Began To Ring Off The Hook And We Saw A Sharp Increase In Traffic On Our Website.”** “‘Let’s talk about the upside to the pandemic in our business,’ CEO Nathaniel Davis said on the company’s earnings call in April. He added that coronavirus was ‘unfortunate for so many people all around the world,’ but continued, ‘when the pandemic first started to impact brick-and-mortar schools, our phones began to ring off the hook and we saw a sharp increase in traffic on our website.’” [Hechinger Report, [6/18/20](#)]
- **August 21, 2020: K12, Inc. “Managed Public School Programs” Had Enrolled 170,000 Students, A 39 Percent Increase From 2019.** “As of August 21, 2020, K12’s managed public school programs have enrolled 170 thousand students for the current school year. This is a 39% increase from the 122.3 thousand enrollments posted in the quarter ended September 30, 2019 (first quarter fiscal year 2020). The school enrollment season typically runs through the end of September of each year.” [BusinessWire, K12 Inc., [8/25/20](#)]
- **Q3 2020: K12 Inc. Revenues Increased To \$257.2 Million.** “Revenues of \$257.2 million, compared to revenues of \$253.3 million in the third quarter of FY 2019.” [K12 Inc., Press Release, [4/27/20](#)]
- **K12’s Managed Online Public School Programs’ Revenue Increased 2.6 Percent To \$228.3 Million.** [K12 Inc., Press Release, [4/27/20](#)]
- **June 30, 2020: K12 Inc. Reported \$24,506,000 In Net Income.** [Securities and Exchange Commission, K12 Inc., Form 10-K, [8/12/20](#)]
- **2019: K12 Inc. Executives Paid Themselves \$27,975,009.** [Securities and Exchange Commission, K12 Inc., Form DEF 14A, [10/25/19](#)]
- **“K12 Inc. Has Faced Frequent Criticism About Poor Student Performance And Been Subject To Legal Scrutiny.”** [Hechinger Report, [6/18/20](#)]

Virtual Charter School iLEAD Online Took Up To \$350,000 In PPP Funds Despite An Increase In Demand Due To COVID With The Director Saying, “We Have Families Contacting Us All Day Every Day.”

iLEAD Online Is An Online Public Charter School. [iLEADOnline, Accessed [9/10/20](#)]

- **iLEAD Online Took Up To \$350,000 In PPP Funds.** [Accountable.US, COVIDBailoutTracker.com, Accessed [9/10/20](#)]

“In Addition To The Normal Summer Enrollment Growth, iLEAD Online Is Also Experiencing An Increased Demand For Fall Enrollment.” “Erin Jones, director of iLEAD Online, said enrollment at the school often increases in the spring and summer, but this year is different. Traditionally, Jones said, many learners seek an online school that begins the academic year in the summer due to interest in advancement, enrichment or credit recovery. However, Jones said that in addition to the normal summer enrollment growth, iLEAD Online is also experiencing an increased demand for fall enrollment. “ [iLEAD Digest, [7/31/20](#)]

- **iLEAD Online Director Erin Jones: “We Have Families Contacting Us All Day Every Day.”** JONES: “We have families contacting us all day every day about their uncertainty. They need more learning options during this time.” [iLEAD Digest, [7/31/20](#)]
- **iLEAD Digest HEADLINE: “iLEAD Online Works To Accommodate Increased Demand Due To Pandemic”** [iLEAD Digest, [7/31/20](#)]

Virtual School Dwight Global Online School Took Up To \$350,000 In PPP Funds Despite A “Tenfold Increase In Admission Inquiries.”

Dwight Global Online School Took Up To \$350,000 In PPP Funds. [Accountable.US, COVIDBailoutTracker.com, Accessed [9/10/20](#)]

June 2020: Dwight Global Online School Head Louisa Childs Saw A “Tenfold Increase In Admission Inquiries For Her Programs, As Compared To This Time Last Year.” “Louisa Childs is the Head of School for Dwight Global Online School, and she’s seen a tenfold increase in admission inquiries for her programs, as compared to this time last year.” [We Are Teachers, [6/5/20](#)]

The Trump Administration Has Been Friendly To Online Learning Interests Before And During The Pandemic.

Trump Education Secretary Betsy DeVos Has A Cozy Relationship With Distance Learning Companies.

DeVos “Has A Long History Of Backing Virtual Schools, Including Founding And Funding Groups That Have Supported The Expansion Of Online Education.” “Secretary of Education nominee Betsy DeVos has a long history of backing virtual schools, including founding and funding groups that have supported the expansion of online education.” [The 74 Million, [12/1/16](#)]

- **The 74 HEADLINE: “Betsy DeVos, Trump’s EdSec Pick, Promoted Virtual Schools Despite Dismal Results”** [The 74 Million, [12/1/16](#)]

BuzzFeed HEADLINE: “Online Charter Schools Prepare For A Trump-Era Boom” [BuzzFeed, [12/20/16](#)]

DeVos “Has Proposed Revamped Regulations That Would Allow More Online Schools To Access Federal Aid.” “In addition, prior to her federal tenure DeVos and her husband were investors in K12, Inc., a publicly traded online learning company that supports or operates many virtual charter schools. In higher education as well, she has proposed revamped regulations that would allow more online schools to access federal aid.” [EdWeek, [7/27/20](#)]

DeVos “Was An Enthusiastic Supporter For Virtual Education Earlier In The Pandemic.” “The secretary was an enthusiastic supporter of virtual education earlier in the pandemic—before President Donald Trump started putting pressure on school districts this month to reopen buildings and return to in-person instruction for the 2020-21 academic year. Just this spring, for example, as school buildings closed and millions of students transitioned rapidly to remote learning, DeVos praised schools’ flexibility and willingness to transition to online learning.” [EdWeek, [7/27/20](#)]

- **DeVos Announced “It Would Provide More Than \$180 Million In Grants To Boost Statewide Virtual Learning Programs.”** “Later that month, DeVos’ Education Department announced it would provide more than \$180 million in grants to boost statewide virtual learning programs and help families access technology that’s essential for learning at home.” [EdWeek, [7/27/20](#)]

April 2020: DeVos Announced “That Her Department Aims To Expand And Improve Remote Learning Tools And Strategies Via New Funds From The \$2.2 Trillion Economic Recovery Package Passed Last Month.” “Education Secretary Betsy DeVos told reporters Thursday that her department aims to expand and improve remote learning tools and strategies via new funds from the \$2.2 trillion economic recovery package passed last month.” [Washington Times, [4/9/20](#)]

- **Washington Times HEADLINE: “DeVos Wants Expansion Of Remote Learning Tools”** [Washington Times, [4/9/20](#)]

As COVID Shifted Classrooms Online, EdTech Companies Saw Massive Gains In Use, Stock Prices, And Venture Capital Funding.

Hedge Connection HEADLINE: “EdTech Stocks Are On Fire As COVID-19 Extends School Closures”
[Hedge Connection Blog, [9/9/20](#)]

TechCrunch HEADLINE: “As The World Stays Home, EdTech’s Q2 Venture Totals Rose Sharply”
[TechCrunch, [8/7/20](#)]

Forbes: “Covid-19 Has Caused A Significant Disruption In The World Of Education, But It Has Been A Boon To Education Technology (EduTech) Companies.” “Covid-19 has caused a significant disruption in the world of education, but it has been a boon to education technology (EduTech) companies. Even when a vaccine for Covid-19 is approved, online education is here to stay filling gaps that already existed in education curricula.” [Forbes, [8/2/20](#)]

- **Forbes HEADLINE: “The Covid-19 Crisis Is A Boost To Educational Technology Companies”**
[Forbes, [8/2/20](#)]

Credit Suisse HEADLINE: “COVID-19 Is A Powerful Catalyst For EdTech” [Credit Suisse, Blog, [6/7/20](#)]

Despite Declaring The Paycheck Protection Program Was Designed To Benefit American Workers, Funds Have Benefitted Foreign-Owned Firms And Those With Significant Foreign Operation

SUMMARY: On May 5, 2020, the Trump Administration [updated its Paycheck Protection Program \(PPP\) FAQ](#), to note that “an applicant must count all of its employees and the employees of its U.S and foreign affiliates.” But how will this impact existing PPP grants, given to companies with foreign employees?

The Trump Administration, which has a history of bailing out foreign corporations, has left U.S. small businesses struggling, in part by granting PPP aid to large companies with foreign interests.

Examples of companies (with foreign interests) that received PPP aid include:

- **\$6.2 million** for a large firm that helps other companies to outsource U.S. jobs and has facilities in four countries beyond the U.S.
- **\$5.9 million** for a subsidiary of a Japanese company that has 1,400 employees.
- **\$893,300** went to a Canadian uranium mining company, one which had stated COVID 19 was not interrupting their business.
- **\$4 million** went to a cosmetic surgery company headquartered in Canada, split across the main company and a subsidy.
- **\$1 million** for a company that has also applied for a similar payroll relief program in Germany.
- **\$217,000** for a company that keeps a 500 sq. ft. executive office in New York while housing a 11,500 sq. ft. facility in Norway.
- **\$100,000** for a foreign-funded firm that had been losing millions of dollars per year long before the COVID-19 crisis.

The Trump Administration—Which Has Been Criticized For Bailing Out Foreign Companies Even Before The COVID-19 Crisis—Has Left U.S. Small Business Owners Struggling With Its Paycheck Protection Program (PPP)

Treasury Sec. Steven Mnuchin Claimed CARES Act Was Supposed To Help "American Workers And Businesses"

Treasury Secretary Steven Mnuchin Tweeted The CARES Act Would Bring "Unprecedented Economic Relief To American Workers And Businesses." "Proud to join President @realDonaldTrump as he signed into law the CARES Act to provide unprecedented economic relief to American workers and businesses. We are fully committed to ensuring that Americans get the resources they need fast." [Twitter, @stevenmnuchin1, [3/27/20](#), accessed 04/15/20]

As Corporations Receive Paycheck Protection Act (PPP) Funding Designated For Small Businesses, Actual Small Business Owners Have Been Left Confused By Processes, Worried About Funding Availability, And Frustrated By A Lack Of Timely Response

USA Today HEADLINE: “Coronavirus PPP Loans Leave Small Firms Confused, Wary And Rushing To Secure Cash To Survive” [USA Today, [4/13/20](#)]

CNBC HEADLINE: “There’s A Lot Of Anxiety As Small Businesses Worry The Loan Money Will Run Out” [CNBC, [4/6/20](#)]

Fast Company HEADLINE: “‘Our Government Has Failed Us’: Frustrated, Self-Employed, And Left Behind By SBA Loan Programs” [Fast Company, [4/13/20](#)]

The Trump Administration Previously Faced Criticism For Agricultural Bailout Funds Going To Foreign Companies

November 2018: A Pork Producer Owned By A Chinese Conglomerate Was Scheduled To Receive Federal Agriculture Bailout Money, Until Criticism Caused The Company To Request To Rescind The Contract. “The Agriculture Department has canceled a contract that would have awarded federal bailout money to a Chinese-owned pork producer after the company asked for the contract to be terminated amid a political backlash. Smithfield Foods, which was acquired by the Chinese conglomerate WH Group, had been awarded \$240,000 in pork payments under the bailout program set up to help farmers weather the White House’s trade war with China. Smithfield Foods asked that the contract be ended, and the Agriculture Department has agreed, the agency said through a spokeswoman.” [Washington Post, [11/16/18](#)]

January 2019: A Brazilian Meatpacking Firm Earned \$5 Million From A Trump Administration Program Designed To Help American Farmers Hurt By The Trade War. “U.S. taxpayers will buy about \$5 million in pork products from a Brazilian-owned meatpacking firm under President Trump’s bailout program, which was designed to help American farmers hurt by the administration’s trade war, according to documents released Wednesday. JBS, one of the biggest meatpacking companies in the world, will sell 1.8 million pounds of pork products through a Trump bailout program that buys surplus commodities from farmers and ranchers, say records published by the Agricultural Marketing Service, a branch of the Agriculture Department.” [Washington Post, [1/9/19](#)]

May 2019: Nine Senators Wrote A Letter To Agriculture Secretary Perdue To Ensure Bailout Program Funds Help American Farmers, Not “Foreign-Owned Companies.” “A group of U.S. senators is urging Agriculture Secretary Sonny Perdue to ensure that a bailout program intended to help U.S. farmers weather President Trump’s trade war does not benefit foreign-owned companies. The program, which buys surplus commodities from farmers and ranchers, was pitched as a way to protect farmers during the U.S.-China trade war. But the USDA hasn’t turned away foreign-owned corporations that want in. [...] ‘It is unacceptable that American taxpayers have been subsidizing our competitors through trade assistance,’ according to a letter addressed to Perdue and signed by Sen. Debbie Stabenow (Mich.) and eight other Democratic lawmakers. [...] The letter’s signatories include Sens. Sherrod Brown (Ohio), Charles E. Schumer (N.Y.), Patrick J. Leahy (Vt.), Richard J. Blumenthal (Conn.), Patty Murray (Wash.), Amy Klobuchar (Minn.), Tammy Baldwin (Wis.) and Kirsten Gillibrand (N.Y.).” [Washington Post, [05/30/19](#)]

- **Washington Post HEADLINE: “Senators Urge USDA To Stop Trump Farm Bailout Money From Going To Foreign-Owned Companies”** [Washington Post, [5/30/19](#)]

Sigmatron International, Inc.—A Large Firm That Helps Other Companies Outsource U.S. Jobs—Received \$6.2 Million In PPP Funding Despite Having Over 3,000 Workers And Facilities In Four Countries Beyond The U.S.

Sigmatron International, Inc. Received \$6.2 Million In PPP Loans Despite Having Over 3,100 Employees, Operations In Five Countries, And Paying Its Executives Handsomely.

April 23, 2020: Sigmatron International, Inc. Received \$6.2 Million In PPP Funding. “On April 23, 2020, SigmaTron International, Inc. (the ‘Company’) received a loan of \$6,282,973 (the ‘Loan’) under the Small Business Administration Paycheck Protection Program (the ‘PPP’) under the recently enacted Coronavirus Aid, Relief, and Economic Security Act (the ‘CARES Act’).” [SEC – Sigmatron International 8-K, [4/24/20](#)]

Per SEC Filings, Sigmatron International, Inc. Employed 3,106 Full-Time Employees. “The Company employed approximately 3,106 full-time employees as of April 30, 2019, including 208 engaged in engineering

or engineering-related services, 2,510 in manufacturing and 388 in administrative and marketing functions.”
[SEC – Sigmatron International 10-K, [7/25/19](#)]

Beyond The U.S., Sigmatron International, Inc. Has Facilities In Mexico, China, Vietnam, And Taiwan.

“The Company operates manufacturing facilities in Elk Grove Village, Illinois United States of America (‘U.S.’); Union City, California U.S.; Acuna, Chihuahua and Tijuana, Mexico; Suzhou, China; and Ho Chi Minh City, Vietnam. In addition, the Company maintains an International Procurement Office (‘IPO’) in Taipei, Taiwan.”
[SEC – Sigmatron International 10-K, [7/25/19](#)]

2019: SigmaTron International, Inc.’s Top Executives Made \$845,799 In Total Compensation.

Name and Principal Position		Annual Compensation		Option Awards (\$)	All Other Compensation (\$)	Total Compensation (\$)
		Salary (\$)	Bonus (\$)			
Gary R. Fairhead President and Chief Executive Officer	2019	297,492(1)	—	25,259(4)	3,100(3)	325,851
	2018	300,000(1)	20,000(2)	—	3,946(3)	323,946
Rajesh B. Upadhyaya Executive Vice President, West Coast Operations	2019	248,115	—	19,740(4)	3,054(3)	270,909
	2018	253,314	17,500(2)	—	3,518(3)	274,332
Linda K. Frauendorfer Chief Financial Officer, Vice President, Finance, Treasurer and Secretary.	2019	226,558(1)	—	19,740(4)	2,741(3)	249,039
	2018	222,641(1)	17,500(2)	—	3,065(3)	243,206

[SEC – SigmaTron International DEF 14A, [8/16/19](#)]

Sigmatron Markets Itself As A Company That Can Help Other Companies Outsource U.S. Jobs

SigmaTron Promoted Itself As A Company Of Experts Who Could “Ensure A Variety Of Cost Competitive Options To Support A Regionalized Outsourcing Strategy.” “SigmaTron International supports customers in a broad range of mission critical, industrial and consumer markets. Our real-time systems supporting enhanced visibility and traceability combined with industry-specific quality registrations ensure a comprehensive approach to regulatory compliance and quality. Our expert supply chain management team combined with a network of facilities in the U.S., Mexico, China and Vietnam ensure a variety of cost competitive options to support a regionalized outsourcing strategy.” [SigmaTron International – Homepage, accessed [4/27/20](#)]

SigmaTron International Marketing Video: “With SigmaTron International, You Can Tailor An Outsourcing Solution.” NARRATOR: “With SigmaTron International, you can tailor an outsourcing solution that makes the best sense for your operational strategy and end markets.” [YouTube – SigmaTron International, [4/1/19](#)] (VIDEO)

SigmaTron International CFO: “We See Our Jobs As Building Efficiency Into The Process At Every Step Minimizing Your Transaction Cost.” LINDA FRAUENDORFER, CFO: “We see our jobs as building efficiency into the process at every step minimizing your transaction cost, and enabling you to leverage our production capabilities and technical expertise. This helps you improve your company's financial turns.” [YouTube – SigmaTron International, [4/1/19](#)] (VIDEO)

- **Example Of Additional Financial Tips For Outsourcing, Put Out By SigmaTron International: “Five Ways to Lower Your Outsourcing Cost.”** [SigmaTron International – Five Ways to Lower Your Outsourcing Cost, [2/13](#)]

SigmaTron International CFO: “We See Our Jobs As [...] Enabling You To Leverage Our Production Capabilities.” LINDA FRAUENDORFER, CFO: “We see our jobs as building efficiency into the process at every step minimizing your transaction cost, and enabling you to leverage our production capabilities and technical expertise. This helps you improve your company's financial turns.” [YouTube – SigmaTron International, [4/1/19](#)] (VIDEO)

SigmaTron International Promoted Its Ability To Help Companies Quickly Import Products From Foreign Factories. NARRATOR: "Near shore, in one of our three facilities in Mexico, to reduce cost and inventory pipeline, products shipped from our Mexico factories is normally over the border and in transit to its destination in less than 24 hours." [YouTube – SigmaTron International, [4/1/19](#)] (VIDEO)

Japanese-Owned Kura Sushi Utilized A Special-Interest Provision Of The Coronavirus Stimulus Bill To Receive A \$5.9 Million PPP Loan.

Through Its U.S. Arm, Japan's Kura Sushi Received \$5.9 Million In Small Business Administration Paycheck Protection Plan Grants, Despite Being Headquartered Abroad And Employing 1,400 People.

Kura Sushi Was Headquartered In Osaka Japan, With Kura Sushi USA, Inc. Listed As An Affiliate.

Head Office Address

1-2-1 Fukasaka, Naka-ku, Sakai-shi, Osaka 599-8253, Japan

Affiliated Company

Kura Sushi USA, Inc. (DE, US)

President, Hajime Uba

Kura Sushi Asia co, Ltd. (Taipei, Taiwan)

President, Kentaro Nishikawa

[Kura Corporation – "Company Profile," accessed [4/15/20](#)]

April 14, 2020: Kura Sushi USA Received A \$5.9 Million Paycheck Protection Program Loan, Which Can Be Forgiven Under The CARES Act. "On April 14, 2020, Kura Sushi USA, Inc. (the 'Company') entered into a Promissory Note with Bank of the West, which provides for a loan in the amount of \$5,983,290 (the 'PPP Loan') pursuant to the Paycheck Protection Program under the Coronavirus Aid, Relief, and Economic Security Act (the 'CARES Act'). The PPP Loan has a two-year term and bears interest at a rate of 1.0% per annum. Monthly principal and interest payments are deferred for six months after the date of disbursement. The PPP Loan may be prepaid at any time prior to maturity with no prepayment penalties. The Promissory Note contains events of default and other provisions customary for a loan of this type. The Paycheck Protection Program provides that the PPP Loan may be partially or wholly forgiven if the funds are used for certain qualifying expenses as described in the CARES Act. The Company intends to use the entire PPP Loan amount for qualifying expenses and to apply for forgiveness of the loan in accordance with the terms of the CARES Act." [SEC EDGAR – Kura Sushi USA, Inc. 8-K, [4/14/20](#)]

- **Kura Sushi's CEO Said A Portion Of The Money Would Be Used For "Debt Service."** "CEO Hajime Uba told investors Tuesday that a portion of the money will be used for debt service, as permitted under the law that created the program." [Restaurant Business, [04/15/20](#)]

Kura Sushi USA Employs 1,400 Employees, But Took Advantage Of A Provision Allowing Chain Restaurants (Exceeding Small Business Employment Figures) To Obtain Loans

August 2019: Kura Sushi Had Approximately 1,400 Employees. "As of August 31, 2019, we had approximately 1,400 employees, of whom 75 were exempt employees and the remainder were non-exempt employees. None of our employees are unionized or covered by collective bargaining agreements, and we consider our current employee relations to be good." [SEC EDGAR – Kura Sushi USA Inc. 10-K, [11/26/19](#)]

New York Times: "Special-Interest Provisions" In The Coronavirus Stimulus Package Allowed Chain Restaurants And Hotels To File For Small Business Loans, Despite Exceeding Employment Figures.

“Tucked into the largest bailout in United States history — a \$2 trillion federal stimulus package agreed to by congressional leaders and the White House early Wednesday in an effort to reduce the economic devastation of the coronavirus outbreak — are a range of provisions that stand to benefit specific industries and interest groups. [...] Many of these special-interest provisions would be impossible for a casual reader of the legislation to identify. For example, on Page 15 of the bill, there is a section with the title ‘Business Concerns With More Than 1 Physical Location.’ It says this change in federal law will apply to companies that fit ‘a North American Industry Classification System code beginning with 72’ — a reference that turns out to mean the hotel and restaurant industry. The provision says that if a company owns multiple hotels, even if the overall hotel or restaurant chain has more than 500 employees — the limit to qualify for treatment as a small business — it will still be able to take advantage of the small-business benefits offered in the rescue package.” [New York Times, [3/25/20](#)]

Wall Street Journal: Language In The Coronavirus Stimulus Package, Fought For By The National Restaurant Association, Allowed Big Restaurant And Hotel Chains To Participate Despite Aim Of Program Being Businesses With 500 Or Fewer Employees. “While the new \$350 billion Paycheck Protection Program is aimed at businesses with 500 or fewer employees, language in the \$2 trillion federal stimulus bill allows big restaurant and hotel chains to participate regardless of how many people they employ. Sean Kennedy, executive vice president for the National Restaurant Association, which lobbied for the restaurant-and-hotel exception, says size shouldn’t matter.” [Wall Street Journal, [4/6/20](#)]

April 22, 2020: Kura Sushi Returned \$6 Million In PPP Loans. “Kura Revolving Sushi Bar, the 25-location restaurant chain based in Irvine, has decided to return the \$6 million Paycheck Protection Program (PPP) loan it had received as a part of the federal CARES Act. The move echoes Shake Shack, which received \$10 million in federal loans before a public outcry compelled the New York City-based burger chain to return the funds.” [LA Eater, [4/22/20](#)]

Venus Concept Was A Canadian Cosmetic Surgery Company That Received \$4,048,125 In PPP Grants

April 21, 2020: Venus Concept Received \$1,665,000 In COVID 19 Relief From The Paycheck Protection Program. “The Company and one of its subsidiaries received funding in connection with ‘Small Business Loans’ under the federal Paycheck Protection Program provided in Section 7(a) of the Small Business Act of 1953, as amended by the Coronavirus Aid, Relief, and Economic Security Act, as amended from time to time (the ‘PPP’). Pursuant to the terms of the U.S. Small Business Administration Note dated as of April 21, 2020, by the Company and in favor of City National Bank of Florida, a national banking association (‘CNB’), the Company borrowed \$1,665,000 original principal amount, which was funded on April 29, 2020 (the ‘Venus Concept PPP Loan’).” [SEC – Venus Concept 8-K, [4/30/20](#)]

April 21, 2020: Venus Concept USA Inc., A Subsidiary Of Venus Concept, Received \$2,383,125 In COVID 19 Relief From The Paycheck Protection Program. “Venus Concept USA Inc., a Delaware corporation (‘Venus USA’), a wholly-owned subsidiary of the Company, also entered into a U.S. Small Business Administration Note dated as of April 15, 2020 in favor of CNB pursuant to which Venus USA borrowed \$2,383,125 original principal amount, which was funded on April 20, 2020 (the ‘Venus USA PPP Loan’ and together with the Venus Concept PPP Loan, individually each a ‘PPP Loan’ and collectively, the ‘PPP Loans’). The terms of the Venus USA PPP Loan are substantially similar to the terms of the Venus Concept PPP Loan.” [SEC – Venus Concept 8-K, [4/30/20](#)]

- **Venus Concept’s Two PPP Loans Added Up To \$4,048,125.** [SEC – Venus Concept 8-K, [4/30/20](#)]

Venus Concept's Self-Described Head Office Was Located In Toronto, ON, Canada.



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Email: info@venusconcept.com

[Venus Concept – “Contact Us,” accessed [5/1/20](#)]

Canadian Uranium Mining Company, Ur-Energy, Received \$893,300 In PPP Grants

Canadian Uranium Mining Company Ur-Energy Received \$893,300 In PPP Funding, Despite Saying The Pandemic Had Not Impacted Their Business

April 20, 2020: Ur-Energy Received \$893,300 In CARES Act Pandemic Relief Funding Through The Paycheck Protection Program. “Ur-Energy Inc. (NYSE American: URG) (TSX: URE) (‘Ur-Energy’ or the ‘Company’) is pleased to announce that two of its subsidiaries have closed on U.S. Small Business Administration Paycheck Protection Program loans totaling \$893,300 pursuant to the Coronavirus Aid, Relief, and Economic Security Act (the ‘CARES Act’). The loans have been fully funded.” [Ur-Energy Press Release, [04/20/20](#)]

- **Ur-Energy’s CEO Said He Would Use PPP Money To “Avoid Unnecessary Dilution In The Depressed Uranium Market.”** “Ur-Energy CEO, Jeff Klenda said: ‘...we cannot overstate the importance of these funds to our ability to retain the highly-trained operational staff we have strived so hard to keep onboard. As intended by the CARES Act, this additional funding will provide longer ‘runway’ to maintain current operations and avoid unnecessary dilution in the depressed uranium market; it also provides continued operational readiness when we are able to ramp-up production.’” [Ur-Energy Press Release, [04/20/20](#)]

Ur-Energy Is A Canadian Company. “The Company is incorporated under the Canadian Business Corporations Act and is traded on the Toronto Stock Exchange (“TSX”). A description of the significant ways in which the Company’s governance practices differ from those followed by domestic companies pursuant to NYSE MKT standards.” [Ur-Energy, accessed [04/23/20](#)]

- **Ur-Energy’s SEC Filings Say Canada Is The “State Or Other Jurisdiction Of Incorporation Or Organization.”** [Ur-Energy SEC Form 8-K, [04/20/20](#)]

In The Same SEC Filing Disclosing The Grant, UR-Energy Said The COVID-19 Pandemic Had Not Impacted Its Business At Its Lost Creek Plant. “At this time, the COVID-19 pandemic has caused no interruption of our production operations at Lost Creek and did not interfere with our scheduled delivery and sales into term contract commitments in early February and again in early April. In 2020 Q1, we sold 33,000 pounds at an average price per pound of \$41.52 for revenues of \$1.4 million. The pounds were purchased at an average cost per pound of \$24.94 and cost of sales amounted to \$0.8 million. In early April, we sold 167,000 pounds at an average price per pound of \$41.51 for revenues of \$6.9 million. The pounds were purchased at an average cost per pound of \$26.01 and cost of sales amounted to \$4.3 million.” [Ur-Energy SEC Form 8-K, [04/20/20](#)]

Possible Double Dipping: Ekso Bionics, Inc. Received Over \$1 Million In PPP Grants After Applying For A Similar Coronavirus Relief Program In Germany

Ekso Bionics, Inc. Received \$1,085,630 In Paycheck Protection Program Grants After It Also Applied For A Similar Program In Germany.

April 20, 2020: Ekso Bionics, Inc. Received \$1,085,630 In Forgivable Paycheck Protection Program Loans. “On April 20, 2020, Ekso Bionics, Inc. (the ‘Borrower’), a wholly-owned subsidiary of Ekso Bionics Holdings, Inc. (the ‘Company’), entered into an unsecured note (the ‘Note’) evidencing an unsecured loan in the amount of \$1,085,630 under the Paycheck Protection Program (the ‘PPP’). The PPP was established under the Coronavirus Aid, Relief, and Economic Security Act (the ‘CARES Act’) and is administered by the U.S. Small Business Administration (the ‘SBA’). The loan was made through Western Alliance Bank (the ‘Lender’). In addition to the Note, the Company and the Borrower maintain an existing term loan, which matures on January 1, 2021, and have an existing success fee agreement with the Lender.” [SEC EDGAR — Ekso Bionics Holdings, Inc., [04/24/20](#)]

November 2015: Ekso Bionics, Inc. Opened A Regional Headquarters In Germany. “Ekso Bionics Holdings, Inc. (OTCQB:EKSO), a leading global robotic exoskeleton company, announced today that it has established a new regional headquarters, based in Freiburg, Germany, to further strengthen its European presence and better serve German-speaking markets. [...] ‘Establishing this Germany-based subsidiary will allow us to enhance our customer service with training, education, and field service support by being in closer proximity to our valued customers,’ said Hausherr.” [Ekso Bionics – Press Release, [11/12/15](#)]

- **Ekso Bionics, Inc. Designs Exoskeletons For Medical Use And Has Worked On US Defense Projects.** “We have empowered people for over ten years with exoskeletons designed to enhance natural abilities and, ultimately, improve quality of life. We are the only exoskeleton company to offer technologies that help those with paralysis to stand up and walk, enhance worker capabilities globally, and provide research for the advancement of R&D projects intended to benefit U.S. defense capabilities.” [Ekso Bionics – “About Us,” accessed [4/15/20](#)]

Ekso Bionics, Inc. Said It Was Responding To The COVID 19 Crisis By Applying For Loans Under The CARES Act, “As Well As A Similar Program In Germany.” “Ekso Bionics is taking several steps to adjust its business to the current circumstances. To reduce expenses and adjust operations to match customer needs, the Company has furloughed a portion of its workforce. The Company is also in the process of applying for the loans under the recently enacted Coronavirus Aid, Relief, and Economic Security Act (CARES Act) administered by the U.S. Small Business Administration, as well as a similar program in Germany.” [Ekso Bionics via Barrons, [4/9/20](#)]

Digital “Content Platform” Zedge, Inc.—Which Has A 500 Sq. Ft. Executive Office In New York City While Housing Several Teams In An 11,500 Sq. Ft. Facility In Norway—Received \$217,900 In PPP Grants.

April 23, 2020: Zedge, Inc. Received \$217,900 In Forgivable Paycheck Protection Program Grants. “On April 23, 2020, Zedge, Inc. (the ‘Company’) received loan proceeds of \$217,900 (the ‘PPP Loan’) from Western Alliance Bank, pursuant to the Paycheck Protection Program (the ‘PPP’) under Division A, Title I of the CARES Act, which was enacted March 27, 2020.” [SEC Edgar – Zedge, Inc., [04/29/20](#)]

Zedge, Inc. Is “A Content Platform, And Global Leader In Smartphone Personalization.” “Zedge (NYSE MKT: ZDGE) is a content platform, and global leader in smartphone personalization, with more than 280 million app installs and 30 million monthly active users. People use Zedge to make their smartphones more personal; to express their emotions, tastes and interests using wallpapers, icons, widgets, ringtones and more. The Zedge platform enables artists, teams and brands to extend their reach, and gain additional insight, by giving fans and customers a seamless way to personalize their smartphones with content they associate with.” [Zedge, Inc. – “About Zedge,” accessed [04/30/20](#)]

Zedge Inc.’s Has A 500 Square Foot “Principal Executive Office” In New York City And It Has An 11,500 Sq. Foot Facility In Norway That Houses Its “Product, Design And Technology Teams.” “Our principal executive office is located in a leased premise comprising approximately 500 square feet of space in New York City. This location currently houses commercial operations including sales, accounting and finance, and business development. Our Trondheim, Norway facility, with approximately 11,500 square feet of space, accommodates our product, design and technology teams and is under lease through 2021.” [SEC Edgar – Zedge, Inc., [10/29/19](#)]

Zedge, Inc. Also Has A “Satellite Development Center” In Lithuania. “We also lease a satellite development center in Vilnius, Lithuania. Our servers are hosted in leased data centers in different geographic locations in the United States.” [SEC Edgar – Zedge, Inc., [10/29/19](#)]

GulfSlope Energy, Which Relies Substantially On Foreign Investment, Got A \$100,000 PPP Grant Despite Losing Millions For Years Prior To The Coronavirus Outbreak.

GulfSlope Energy Received Over \$100,000 From The Paycheck Protection Program...

On April 16, 2020, GulfSlope Energy Received A \$100,300 Grant Under The Paycheck Protection Program. “On April 16, 2020, GulfSlope Energy, Inc. (the “Company”) entered into a promissory note (the “Note”) evidencing an unsecured \$100,300 loan under the Paycheck Protection Program (the “PPP Loan”). The Paycheck Protection Program was established under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) and is administered by the U.S. Small Business Administration. The PPP Loan is being made through Zions Bancorporation, N.A. dba Amegy Bank (the “Lender”).” [SEC EDGAR – GulfSlope Energy 8-K, [04/16/20](#)]

... But GulfSlope Energy Has Been Losing Millions For Years And Borrowing Money From Their Own Employees To Get By.

GulfSlope Energy Reported A Net Loss Of \$13.7 Million In 2019, Up From \$2.6 Million In 2018. “We had a net loss of approximately \$13.7 million for the year ended September 30, 2019, compared to a net loss of \$2.6 million for the year ended September 30, 2018.” [SEC EDGAR – GulfSlope Energy 10-K, accessed [04/28/20](#)]

With \$55.6 Million In Losses Since Its Inception, GulfSlope Continues To Be A “Concern” With “Substantial Doubt” About Their Ability To Turn Things Around. “The Company has incurred net losses through September 30, 2019 of \$55.6 million, has a lack of cash on-hand, and a working capital deficit. These factors raise substantial doubt as to the Company’s ability to continue as a going concern.” [SEC EDGAR – GulfSlope Energy 10-K, accessed [04/28/20](#)]

Since 2013, GulfSlope Has Been Borrowing Millions From Their CEO, John Seitz, To Stay Afloat. “During April through September 2013, the Company entered into convertible promissory notes whereby it borrowed a total of \$6,500,000 from John Seitz, its current chief executive officer. [...] In May 2013, John Seitz converted \$1,200,000 of the aforementioned debt into 10,000,000 shares of common stock, which shares were issued in July 2013. Between June of 2014 and December 2015, the Company entered into promissory notes whereby it borrowed a total of \$2,410,000 from Mr. Seitz. [...] During January through September 2016, the Company entered into promissory notes whereby it borrowed a total of \$363,000 from Mr. Seitz. [...] Additionally, during the year ended September 30, 2017, the Company entered into promissory notes with John Seitz whereby it borrowed a total of \$602,500. [...] As of September 30, 2017 and September 30, 2016 the total amount owed to John Seitz, our CEO, is \$8,675,500 and \$8,073,000, respectively. There was a total of \$1,201,286 and \$782,154 of unpaid interest associated with these loans included in accrued interest within our balance sheet as of September 30, 2017 and 2016, respectively.” [SEC EDGAR – GulfSlope Energy 14A, accessed [04/28/20](#)]

Still Needing Money, GulfSlope Borrowed An Additional \$267,000 From Then-President And COO Ron Bain. “From August 2015 through February 2016 the Company entered into promissory notes whereby it borrowed a total of \$267,000 from Dr. Ronald Bain, its [former] president and chief operating officer, and his affiliate ConRon Consulting, Inc.” [SEC EDGAR – GulfSlope Energy 14A, accessed [04/28/20](#)]

GulfSlope Energy Gave The Overseas Investment Firm Delek Group A Quarter Of The Oil And Gas Company To Pay Off Their Debt

In October 2019, GulfSlope Energy Signed A Deal With Delek GOM Investments To Give Them Over 38 Million In Company Shares, Giving Delek 24.3% Ownership. “In October 2019, the Company signed a Post-Drilling Agreement with Delek GOM Investments, LLC. The Agreement provides, among other things, that the Company (i) issue to Delek 38,423,221 shares of common stock of the Company (the “Insurance Proceeds Shares”) as compensation with respect to certain insurance proceeds received in connection with drilling of the Tau well prospect, (ii) that as payoff for the Company’s outstanding obligations of \$1,220,548 (“Term Loan Payoff”) to Delek.” [SEC EDGAR – GulfSlope Energy 10-K, accessed [09/30/19](#)]

Delek Is Based In Israel. [Delek Group, accessed [04/28/20](#)]

An “Outsourcing Specialist” Company, Operating Mostly Out Of Mexico, Got Nearly \$3.6 Million In Aid Meant For Small Businesses, Despite Having Over 600 Employees, Being Able To Pay Out Nearly \$1.25 Million In Executive Compensation, And Having \$5.1 Million In Cash.

Sypris Solutions Received Nearly \$3.6 Million Under The Paycheck Protection Program.

May 1, 2020: Sypris Solutions Received \$3,558,000. “On May 1, 2020, Sypris Solutions, Inc. (the ‘Company’) executed a promissory note (the ‘Note’) to BMO Harris Bank N.A. (‘BMO Harris’), as lender, in the aggregate principal amount of \$3,558,000 (the ‘PPP Loan’) under the Paycheck Protection Program (the ‘PPP’). The PPP was established under the Coronavirus Aid, Relief, and Economic Security Act (the ‘CARES Act’) and is administered by the U.S. Small Business Administration (the ‘SBA’).” [Securities and Exchange Commission, Sypris Solutions, Inc., [5/6/20](#)]

Sypris Described Itself As An “Outsourcing Specialist” Company.

Sypris Solutions Was An “Outsourcing Specialist.” “Sypris Solutions is an outsourcing specialist that is dedicated to using its resources to service long-term strategic partnerships with industry-leading corporations and government agencies. The intensive application of continuous improvement, in the form of tools such as LEAN and Six Sigma, has become part of the way we do business.” [Sypris Solutions LinkedIn Profile, Accessed [5/7/20](#)]

- **Sypris Solutions Listed Its Industry As “Outsourcing/Offshoring.”** [Sypris Solutions LinkedIn Profile, Accessed [5/7/20](#)]

2019: Sypris Reported 630 Employees, Despite PPP Being Intended For Businesses Under 500 Employees

2019: Sypris Solutions Reported 630 Employees. “As of December 31, 2019, we had a total of 630 employees, of which 456 were engaged in manufacturing, 15 were engaged in sales and marketing, 61 were engaged in engineering and 98 were engaged in administration.” [Securities and Exchange Commission, Sypris Solutions, Inc., Form 10-K, [3/19/20](#)]

- **PPP Want Meant For Companies With Under 500 Employees.** “The program is primarily intended to benefit small businesses — defined as those with fewer than 500 employees — hurt by the coronavirus pandemic.” [National Public Radio, [4/21/20](#)]

More Than Half Of Sypris's Own Employees And Nearly Two-Thirds Of Its Active Property Space Were In Mexico

Sypris: "Our Operations Are Located In The U.S. And Mexico." "Our operations are located in the U.S. and Mexico. Our Mexican subsidiaries and affiliates are a part of Sypris Technologies and manufacture and sell a number of products similar to those Sypris Technologies produces or previously produced in the U.S." [Securities and Exchange Commission, Sypris Solutions, Inc., Form 10-K, [3/19/20](#)]

- **SEC Filings Show More Than 50 Percent Of Sypris's Employees Were In Mexico.** "Certain Mexico employees are covered by an annually ratified collective bargaining agreement. These employees in Mexico represented approximately 51% of the Company's workforce, or 319 employees at December 31, 2019." [Securities and Exchange Commission, Sypris Solutions, Inc., Form 10-K, [3/19/20](#)]
- **SEC Filings Show Approximately Nearly Two-Thirds Of Sypris's Active Property Space Was In Toluca, Mexico.** The company owned or leased 335,800 sq. ft. of space, including a 215,000-square-foot manufacturing facility in Toluca, Mexico. [Securities and Exchange Commission, Sypris Solutions, Inc., Form 10-K, [3/19/20](#)]
- **The Company Also Owned A Vacant 450,000-Square-Foot Manufacturing Plant In Kentucky That Closed In 2017 And Was Listed For Sale.** "Revenues from our Mexican operations have grown significantly as a percentage of our consolidated net revenues, especially in connection with the shutdown of the Broadway Plant, which occurred at the end of 2017. [...] The Company also owns a 450,000 square foot facility in Louisville, Kentucky (the 'Broadway Plant'), which is included in Assets held for sale as of December 31, 2019." [Securities and Exchange Commission, Sypris Solutions, Inc., Form 10-K, [3/19/20](#)]

March 2020: Sypris Announced Gross Profit Increased 30.5% From 2018, Ended 2019 With Nearly \$5.1 Million In Cash.

March 19, 2020: Sypris Reported Gross Profit Increased 30.5 Percent From 2018. "For the full-year, consolidated gross margin increased 260 basis points from 2018 to 11.2%, while gross profit increased 30.5% from 2018." [Sypris Solutions, Press Release, [3/19/20](#)]

2019: Sypris Reported \$5,095,000 In Cash And Cash Equivalents. [Securities and Exchange Commission, Sypris Solutions, Inc., Form 10-K, [12/31/19](#)]

2019: Sypris Paid Out Over \$1.25 Million In Executive Compensation.

2019: Sypris Solutions Paid Out \$1,251,882 In Executive Compensation. [Securities and Exchange Commission, Sypris Solutions, Inc., [4/3/20](#)]

TransAct Technologies Received Nearly \$2.2 Million In COVID-19 Relief, Despite Having Made A Recent \$10 Million Credit Agreement, Paying Out Over \$3 Million In Executive Compensation, And Furloughing 10-Percent Of Its Workforce (And Cutting Pay For The Rest).

TransAct Technologies Received Nearly \$2.2 Million Under The Paycheck Protection Program.

May 1, 2020: TransAct Technologies Received \$2,172,800 In PPP Money. "On May 1, 2020 (the 'Loan Date'), TransAct Technologies Incorporated (the 'Company,' 'we,' 'our,' or 'us') was granted a loan (the 'Loan') from Berkshire Bank (the 'Lender') in the aggregate amount of \$2,172,800, pursuant to the Paycheck Protection Program (the 'PPP') administered by the Small Business Administration (the 'SBA') and established under Division A, Title I of the CARES Act, which was enacted March 27, 2020." [Securities and Exchange Commission, TransAct Technologies Inc., Form 8-K, [5/1/20](#)]

TransAct Technologies Is A “Global Leader” In Software Technology For Sectors Including Banking, Casinos And Gaming, And Oil And Gas. “TransAct Technologies Incorporated is a global leader in developing software-driven technology and printing solutions for high-growth markets including restaurant solutions, POS automation, casino and gaming, lottery, and oil and gas.” [TransAct Investor Relations, accessed [5/6/20](#)]

March 2020: TransAct Announced A \$1.75 Million Cost Reduction Plan That Would Furlough 10-Percent Of Its Workforce And Cut Pay Of Remaining Workers.

March 24, 2020: TransAct Technologies Announced \$1.75 Million Cost Reduction Plan. “In response to the novel coronavirus (COVID-19) pandemic we have postponed any further increases in spending and have implemented a number of cost reduction initiatives. We expect the actions that we are taking to reduce overhead and operating expenses by approximately \$1.75 million from our estimated Q1 2020 quarterly run-rate.” [Securities and Exchange Commission, TransAct Technologies, Form 8-K, EX-99.1, [3/24/20](#)]

- **TransAct Furloughed 10 Percent Of Its Workforce.** “Furloughing approximately 10% of our workforce” [Securities and Exchange Commission, TransAct Technologies, Form 8-K, EX-99.1, [3/24/20](#)]
- **TransAct Cut Salaries By 10 Percent.** “10% across the board salary reduction for all salaried, non-commissioned employees” [Securities and Exchange Commission, TransAct Technologies, Form 8-K, EX-99.1, [3/24/20](#)]
- **TransAct Reduced Commissions.** “Reduction in sales commissions for all commissioned employees” [Securities and Exchange Commission, TransAct Technologies, Form 8-K, EX-99.1, [3/24/20](#)]

In The Same Press Release, TransAct Reiterated It Had Access To A Recent \$10 Million Credit Line.

March 24, 2020L TransAct Technologies: “We Recently Announced A New Asset Based Credit Facility Of Up To \$10 Million.” “As a reminder, we recently announced a new asset based credit facility of up to \$10 million. This access to capital provides enhanced liquidity and flexibility for these unprecedented times.” [Securities and Exchange Commission, TransAct Technologies, Form 8-K, EX-99.1, [3/24/20](#)]

2019: TransAct Paid Out Over \$3 Million In Executive Compensation.

2019: TransAct Paid Out \$3,035,783 In Executive Compensation. [Securities and Exchange Commission, TransAct Technologies, Form DEF 14A, [4/23/20](#)]

Congress Criticized Five Public Companies For Taking Out PPP Loans – Only One Has Since Returned Funds

A Congressional Panel Sent Letters To Five Public Companies Who Had Taken Out Paycheck Protection Program Loans, Demanding They Return The Money. “A congressional panel tasked with overseeing coronavirus stimulus funds sent letters Friday afternoon to five public companies that took out Paycheck Protection Program loans, demanding they return the money on the grounds that businesses like theirs have access to other forms of funding so their seeking and acceptance of the funds deprives truly needy small businesses.” [MarketWatch, [5/11/20](#)]

The Congressional Panel Contacted Evo Transportation And Energy Services Inc., Gulf Island Fabrication, MiMedx Group Inc, Quantum Corp, And Universal Stainless And Alloy Products. “A congressional panel tasked with overseeing coronavirus stimulus funds sent letters Friday afternoon to five public companies that took out Paycheck Protection Program loans, demanding they return the money on the grounds that businesses like theirs have access to other forms of funding so their seeking and acceptance of

the funds deprives truly needy small businesses. [...] The companies include Evo Transportation & Energy Services Inc. EVOA, +5.00%, Gulf Island Fabrication Inc. GIFI, -2.88%, MiMedx Group Inc. MDXG, +3.17%, Quantum Corp. QMCO, 8.76% and Universal Stainless & Alloy Product, Inc. USAP, -0.63%.” [MarketWatch, [5/11/20](#)]

- **May 11, 2020: MiMedx Announced It Would Return Its PPP Loan.** [Atlanta Business Chronicle, [5/11/20](#)]
- **May 9, 2020: EVO Transportation And Energy Services Said It Had Qualified For The PPP Loan And Would Use The Funds For Payroll.** “EVO Transportation & Energy Services, Inc. (EVO) (OTC Pink: EVOA) applied for and received a Paycheck Protection Program loan under the CARES Act in order to help sustain its business during the coronavirus pandemic affecting the country. EVO qualified for the program pursuant to ‘alternative size standards’ explicitly set forth in guidance issued by the U.S. Treasury Department and U.S. Small Business Administration for firms with less than \$15 million in tangible net worth and less than \$5 million in earnings in each of the past two tax years. [...] EVO’s small market float is measured in thousands of dollars, not hundreds of millions of dollars. All of these factors support EVO’s application to the PPP which was consistent with the letter and spirit of the law. EVO has and will continue to use the PPP proceeds for payroll.” [EVO Transportation & Energy Services – Press Release, [5/9/20](#)]
- **Quantum Corporation Responded To The Congressional Call By Saying Their PPP Loan Was “Saving American Jobs.”** “Public outrage and Trump administration pressure have forced dozens of companies to return government-backed small business loans, sweeping up not only major brands like Shake Shack and Potbelly but also smaller employers that don’t want to face scrutiny. [...] One of the targeted companies, Quantum Corp., said the loan was ‘saving American jobs’ at the firm and that ‘without it we would most certainly be forced to reduce headcount.’ ‘We owe it to our employees — who’ve stuck with us through a long and difficult turnaround — to do everything we can to save their jobs during this crisis,’ Quantum spokesperson Bob Wientzen said. ‘We believe strongly that Quantum not only falls within the technical eligibility requirements of the PPP loan program, but also falls squarely within the spirit of what was intended by the CARES Act.’” [Politico, [5/17/20](#)]
- **As Of June 15, 2020, Gulf Island Fabrication Has Given No Indication Of Returning The PPP Funds.** The PPP loan was last referenced in a May 7, 2020 10-Q form filed with the SEC. [SEC – Gulf Island Fabrication 10-Q, [5/7/20](#)]
- **As Of June 15, 2020, Universal Stainless And Alloy Products Has Given No Indication Of Returning The PPP Funds.** The PPP loan was last referenced in an April 22, 2020 10-Q form filed with the SEC. [SEC – Gulf Island Fabrication 10-Q, [4/22/20](#)]

Multiple Public Companies Expressed Concerns Over The Appropriateness Of Their Loans And Potential For Forgiveness In SEC Filings – While Still Not Returning The Money

April 22, 2020: Cutera, Inc. Received \$7,135,348 In Paycheck Protection Program Funding. “On April 22, 2020, Cutera, Inc. (the ‘Company’), received loan proceeds of \$7,135,348.00 (the ‘Loan’) pursuant to the Paycheck Protection Program (the ‘PPP’) under the Coronavirus Aid, Relief, and Economic Security (‘CARES’) Act.” [SEC – Cutera, Inc. 8-K, [4/21/20](#)]

- **Cutera, Inc., Quarterly SEC Filing: “There Are Risk And Uncertainty Regarding The PPP Loan As The Company May Be Deemed Ineligible To Receive The PPP Loan, And The Company May Be Required To Repay The PPP Loan In Its Entirety And Could Be Subject To Penalties.”** [SEC – Cutera, Inc. 10-Q, [4/30/20](#)]

May 4, 2020: Vertex Energy Inc. Received \$4,222,000 In Paycheck Protection Program Funding. “On May 4, 2020, Vertex Energy, Inc. (the ‘Company’, ‘we’ and ‘us’), applied for a loan (the ‘Loan’) from Texas Citizens Bank, NA (the ‘Lender’) in the principal amount of \$4.222 million, pursuant to the Paycheck Protection Program (the ‘PPP’) under the Coronavirus Aid, Relief, and Economic Security Act (the ‘CARES Act’), which was enacted on March 27, 2020. On May 5, 2020, the Company received the Loan funds.” [SEC – Vertex Energy Inc., [5/6/20](#)]

- **Vertex Energy, SEC Filing: “We May Not Qualify For Forgiveness Of Our PPP Loan.”** [SEC – Vertex Energy Inc. S3, [5/7/20](#)]

April 23, 2020: Iridex Corporation Received \$2,497,199 In Paycheck Protection Program Funding. “On April 23, 2020, Iridex Corporation (the ‘Company’) received \$2,497,199 (the ‘Loan Proceeds’) from a U.S. Small Business Administration Loan (the ‘SBA Loan’) from Silicon Valley Bank, pursuant to the Paycheck Protection Program established under the Coronavirus Aid, Relief, and Economic Security Act (the ‘CARES Act’).” [SEC – Iridex Corporation 8-K, [04/22/20](#)]

- **Iridex Corporation, Quarterly SEC Filing: “We Could Be Required To Return The Full Amount Of The SBA Loan And May Potentially Be Subject To Civil And Criminal Fines And Penalties.”** “The U.S. Department of the Treasury has announced that it will conduct audits for PPP loans that exceed \$2 million. Should we be audited or reviewed by the U.S. Department of the Treasury or the U.S. Small Business Administration as a result of the SBA Loan or filing an application for forgiveness or otherwise and receive an adverse outcome in such an audit, we could be required to return the full amount of the SBA Loan and may potentially be subject to civil and criminal fines and penalties.” [SEC – Iridex Corporation 10-Q, [5/12/20](#)]

PPP Funds Went To Questionable Industries, And Companies That Had Questionable Quality Ratings

One Investment Firm, Three Troubled Nursing Homes, And Over \$1.6 Million In Federal Aid

SUMMARY: Global Healthcare REIT has disclosed in SEC filings that three of their for-profit senior care facilities – Eastman Healthcare And Rehabilitation, Southern Hills Rehabilitation Center, and Glen Eagle Healthcare and Rehab – have now been approved for nearly \$575,000 (each) in funding under the Small Business Administration’s Paycheck Protection Program (PPP).

The facilities are organized as a subsidiary of the Global Healthcare REIT, which in 2018 reported having only two employees, spending over \$132,000 in stock buybacks, and \$410,000 in executive compensation. And in 2019, reported having Over \$40 million in assets. The facilities’ listed manager was Global Healthcare President and CEO Zvi Rhine, who also founded hedge fund Sabra Capital Partners, and who sits on the board of Cinedigm Corp (itself a recipient of over \$2.1 million in PPP money).

The PPP aid follows at least two positive COVID-19 cases at the firm’s facilities: at Eastman Healthcare in March, and at Glen Eagle in April. But concerns related to care quality predate and exceed COVID-19:

- Two facilities have received a “Much Below Average” rating from the Medicare.gov website, while Glen Eagle Healthcare was too new to be rated.
- Eastman Healthcare has received nine health citations and paid a \$17,000 fine in October 2019; Southern Hills Rehabilitation Center received fifteen health citations; Glen Eagle Healthcare, despite being a newer facility, has already received nine health citations as well as three fire citations.
- Eastman Healthcare received citations for infection-related deficiencies in June 2018 and October 2019; Southern Hills received citations for infection-related deficiencies in March and December of 2019.

Poorly Run For-Profit Nursing Homes Owned By A Real Estate Investment Trust And Connected To Hedge Funds Took Nearly \$1.6 Million In Paycheck Protection Program (PPP) Funding

Global Healthcare REIT Is A Real Estate Investment Trust That Owns And Leases Properties In The “Senior Care Industry.” “Global Healthcare REIT owns healthcare properties and leases them to proven facility operators in the senior care industry.” [Global Healthcare REIT, Accessed [4/29/20](#)]

- **Until September 2013, Global Healthcare REIT Operated Two Gaming Casinos.** “Prior to the Company changing its name to Global Healthcare REIT, Inc. on September 30, 2013, the Company was known as Global Casinos, Inc. Global Casinos, Inc. operated two gaming casinos which were split-off and sold on September 30, 2013.” [Securities and Exchange Commission, Global Healthcare REIT, Form 10-K, [4/16/19](#)]

GRANT DATE	LEGAL ENTITY	DOING BUSINESS AS	NATIONAL PROVIDER IDENTIFIER	GRANT AMOUNT
4/20/20	Global Eastman, LLC	Eastman Healthcare & Rehab	1205465879	\$574,975
5/4/20	Southern Hills Rehab Center, LLC	Southern Hills Rehabilitation Center	1801287982	\$710,752
5/4/20	Global Abbeville, LLC	Glen Eagle Healthcare and Rehab	1407375645	\$324,442
TOTAL				\$1,610,169

Eastman Healthcare & Rehab, Southern Hills Rehabilitation Center, Glen Eagle Healthcare and Rehab, Were For-Profit Entities. [ProPublica, Nursing Home Inspect, Accessed [5/8/20](#)]

- **Eastman Health & Rehab Was Listed “For Profit – Limited Liability Company.”** [ProPublica – Nursing Home Inspect “Eastman Healthcare & Rehab,” accessed [5/8/20](#)]
- **Southern Hills Rehabilitation Center Was Listed “For Profit – Partnership.”** [ProPublica – Nursing Home Inspect “Southern Hills Rehabilitation Center,” accessed [5/8/20](#)]
- **Glen Eagle Healthcare And Rehab Was Listed “For Profit – Individual.”** [ProPublica – Nursing Home Inspect “Glen Eagle Healthcare And Rehab,” accessed [5/8/20](#)]

All Three Nursing Homes Listed Their Manager As Zvi Rhine, Who Was The President And CFO Of Global Healthcare REIT – Rhine Also Worked As A Hedge Fund Partner

Zvi Rhine Was Listed As The Manager Of Eastman Healthcare & Rehab, Southern Hills Rehabilitation Center, And Glen Eagle Healthcare And Rehab. [Centers for Medicare & Medicaid Services, accessed [5/8/20](#); Centers for Medicare & Medicaid Services, NPPES NPI Registry, Accessed [5/8/20](#); Centers for Medicare & Medicaid Services, accessed [5/8/20](#)]

Rhine Was President And CFO Of Global Healthcare REIT. [Securities and Exchange Commission, Global Healthcare REIT, Form 10-K, [4/16/19](#)]

Rhine Was Also Principal, Managing Member, And Founder Of Hedge Fund Sabra Capital Partners. “Zvi Rhine has nearly 20 years of experience in the securities industry. He is the principal and managing member of Sabra Capital Partners which he founded in 2012, a multi-strategy hedge fund that focuses on event-driven, value and special situations investments primarily in North America.” [Securities and Exchange Commission, Global Healthcare REIT, Form 10-K, [4/16/19](#)]

September 2019: Global Healthcare REIT Had Over \$40.2 Million In Assets

September 2019: Global Healthcare REIT Had \$40,262,511 In Total Assets. [Securities and Exchange Commission, Global Healthcare REIT, Form 10-Q, [11/18/19](#)]

2018: Global Healthcare REIT Reported Only Having Two Employees, Over \$130,000 In Stock Buybacks, And Paid Out Over \$412,000 In Executive Compensation.

2018: Global Healthcare REIT Reported Two Employees. [Securities and Exchange Commission, Global Healthcare REIT, Form 10-K, [4/16/19](#)]

2018: Global Healthcare REIT Spent \$132,795 In Stock Buybacks. [Securities and Exchange Commission, Global Healthcare REIT, Form 10-K, [4/16/19](#)]

2018: Global Healthcare REIT Paid Out \$412,392 In Executive Compensation. [Securities and Exchange Commission, Global Healthcare REIT, Form 10-K, [4/16/19](#)]

Eastman Healthcare Nursing Home Got Nearly \$575,000 In PPP Funding Despite Rock-Bottom Health Ratings, Federal Fines, And A Number Of Citations More Than Double The National Average.

Medicare Listed Eastman’s Overall Inspection Rating As One Out Of Five Stars Or “Much Below Average.” “The health inspection star rating- Opens in a new window is based on each active provider’s current health inspection survey and the 2 prior surveys, as well as findings from the most recent 3 years of complaints information and inspection revisits.”

EASTMAN HEALTHCARE & REHAB

Overall rating ⓘ: ★●●●●

Much Below Average

[Medicare.gov, Nursing Home Compare, Eastman Healthcare & Rehab, Accessed [4/29/20](#)]

- **Eastman Healthcare Had Nine Health Citations, More Than The National Average And More Than Double The Average For Georgia.** [Medicare.gov, Nursing Home Compare, Eastman Healthcare & Rehab, Accessed [4/29/20](#)]
- **Eastman Healthcare Had 16 Complaints Resulting In A Citation In The Past Three Years.** Medicare.gov, Nursing Home Compare, Eastman Healthcare & Rehab, Accessed [4/29/20](#)

August 2017 To October 2019: Eastman Healthcare Had 33 Deficiencies Across Eight Inspections.

[ProPublica, Nursing Home Inspect, Eastman Healthcare & Rehab, Accessed [5/8/20](#)]

- **June 2018: Inspection Found Eastman Healthcare Had An Infection-Related Deficiency.** [ProPublica, Nursing Home Inspect, Eastman Healthcare & Rehab, Accessed [5/8/20](#)]
- **October 2019: Inspection Found Eastman Healthcare Had An Infection-Related Deficiency.** [ProPublica, Nursing Home Inspect, Eastman Healthcare & Rehab, Accessed [5/8/20](#)]

March 2020: Eastman Health Employee Tested Positive For COVID-19. “A part-time night shift employee at a Dodge County nursing home has tested positive for coronavirus. According to Megan Gibbs, the executive director at Eastman Healthcare and Rehabilitation in Eastman, they were contacted by the Georgia Department of Public health Wednesday night and informed that a part-time employee at the facility tested positive for COVID-19.” [WMAZ, [3/19/20](#)]

October 23, 2019: Eastman Health’s Most Recent Complaint And Health Inspection. [Medicare.gov, Nursing Home Compare, Eastman Healthcare & Rehab, Accessed [4/29/20](#)]

October 23, 2019: Eastman Healthcare Was Levied A \$16,994 Federal Fine. [Medicare.gov, Nursing Home Compare, Eastman Healthcare & Rehab, Accessed [4/29/20](#)]

December 2019: Two Eastman Health Employees Died By Gunshot In Apparent On-Site Murder-Suicide. “Wilkes said they were both employees at the healthcare center and in a relationship. Both were killed by a gunshot, and they’re investigating it along with the Dodge County Sheriff’s Office as a murder-suicide, she said.” [WMAZ, [12/15/19](#)]

Eastman Healthcare Boasted Of Its Affiliation With New Beginnings Care, LLC. “Eastman Healthcare & Rehab, a New Beginnings Care, LLC Facility, is a multipurpose healthcare company focused on providing the best care and services to those in need of long-term care.” [Eastman Healthcare & Rehab, Accessed [4/29/20](#)]

Eastman Healthcare & Rehab

A New Beginnings Care Facility



[Eastman Healthcare & Rehab, Accessed [4/29/20](#)]

February 2016: Chattanooga Times Free Press HEADLINE: “Hixson-Based Nursing Home Founder Drove Porsche, Lived Lavishly As Company Fell Apart” [Chattanooga Times Free Press, [2/27/16](#)]

March 2016: McKnight’s Long-Term Care News HEADLINE: “Nursing Home Operator Under Fire For Unpaid Bills, ‘Squalid’ Conditions” [McKnight’s Long-Term Care News, [3/1/16](#)]

March 2016: Insurance News Net HEADLINE: “Bankrupt Hixson Nursing Home Operators Paid Themselves, Family Members \$1 Million In 2015” [Insurance News Net, [3/30/16](#)]

June 2016: Federal Regulators Cut Off Medicaid And Medicare Payments To A New Beginnings Care Facility After Finding Problems “Similar To What Has Occurred At Other New Beginning-Managed Nursing Homes In Tennessee, Georgia, And Ohio.” “Sixty residents are being moved out of Oceanside Healthcare and Rehabilitation Center in Tybee Island, Ga., because federal Medicaid and Medicare payments were cut off after regulators found problems there similar to what has occurred at other New Beginnings-managed nursing homes in Tennessee, Georgia and Ohio.” [Chattanooga Times Free Press, [6/4/16](#)]

Southern Hills Rehabilitation Center Got Nearly \$710,752 In PPP Funding Despite Staff History Of Exploitation And Infection-Related Deficiencies As Recent As December 2019.

Medicare Listed Southern Hills’ Inspection Rating As One Out Of Five Stars Or “Much Below Average.” “The health inspection star rating- Opens in a new window is based on each active provider’s current health inspection survey and the 2 prior surveys, as well as findings from the most recent 3 years of complaints information and inspection revisits.”

SOUTHERN HILLS REHABILITATION CENTER

Overall rating ⓘ: ★●●●●

Much Below Average

[Medicare.gov, Nursing Home Compare, Southern Hills Rehabilitation Center, Accessed [5/8/20](#)]

Southern Hills Received 15 Health Citations, More Than Double The Average In Oklahoma And Nearly Double The National Average. [Medicare.gov, Nursing Home Compare, Southern Hills Rehabilitation Center, Accessed [5/8/20](#)]

January 2017 To December 2019: Southern Hills Had At Least 47 Deficiencies Across Seven Inspections. [ProPublica, Nursing Home Inspect, Southern Hills Rehabilitation Center, Accessed [5/8/20](#)]

- **March 2019: Inspection Found Southern Hills Had An Infection-Related Deficiency.** [ProPublica, Nursing Home Inspect, Southern Hills Rehabilitation Center, Accessed [5/8/20](#)]

- **December 2019: Inspection Found Southern Hills Had An Infection-Related Deficiency.** [ProPublica, Nursing Home Inspect, Southern Hills Rehabilitation Center, Accessed [5/8/20](#)]

February 28, 2019: Medicare Denied Payment To Southern Hills Rehabilitation Center. [Medicare.gov, Nursing Home Compare, Southern Hills Rehabilitation Center, Accessed [5/8/20](#)]

- **Denial Of Payment For New Admissions Is An Enforcement Action.** “Denial of Payment for New Admissions. Denial of payment for new admissions (DPNA) is an enforcement remedy that is applied when a Skilled Nursing Facility is not in compliance with the requirements for participation in the Medicare program.” [Novitas Solutions, Accessed [5/8/20](#)]

Tulsa World HEADLINE: “Bixby Woman Charged With Exploiting Dozens Of Residents At South Tulsa Rehabilitation Center” [Tulsa World, [7/31/19](#)]

- **July 2019: Southern Hills Rehabilitation Center Business Office Manager Was Charged With 21 Counts Of Exploitation After Allegedly Stealing Nearly \$30,000 From More Than 20 Residents.** “A Bixby woman was charged in Tulsa County District Court on Wednesday with 21 counts of exploitation by a caretaker. Prosecutors allege that Toni Sue McAlister, 39, took nearly \$29,000 from more than 20 residents at Southern Hills Rehabilitation Center, 5170 S. Vandalia Ave., in about three months while she worked there as the business office manager in 2016.” [Tulsa World, [7/31/19](#)]
- **The Southern Hills Rehabilitation Center Worker Allegedly Stole Monthly Medicaid Stipends From Residents.** “The stipends are for discretionary spending money, and because the nursing home provides nearly everything necessary for daily living, it’s common for residents to leave their funds to accumulate over a few months in a trust account. McAlister made a practice of sending ‘unwitting’ employees to the bank to cash checks from the trust account and return the cash to her, ostensibly for her to distribute to the rightful residents, the affidavit states. Instead, she retained the money, often depositing between \$1,000 and \$5,460 cash in an ATM between her home and the center, prosecutors allege.” [Tulsa World, [7/31/19](#)]

Glen Eagle Healthcare And Rehab Got Nearly \$325,000 In PPP Money - Despite The New Facility Having Wracked Up Various Health And Fire Safety Citations.

Medicare Listed Glen Eagle Healthcare And Rehab’s Overall Inspection Rating As “Too New To Rate”
“Newly certified nursing home with less than 12-15 months of data available or the nursing home opened less than six months ago.”

GLEN EAGLE HEALTHCARE AND REHAB

Overall rating ⓘ: Too New to Rate¹

[Medicare.gov, Nursing Home Compare, Southern Hills Rehabilitation Center, Accessed [5/8/20](#)]

Despite Being A New Facility, Glen Eagle Had Received A Health Citation.

Date of most recent health inspection	09/27/2018 View full report
➤ Total number of health citations	1

[Medicare.gov, Nursing Home Compare, Southern Hills Rehabilitation Center, Accessed [5/8/20](#)]

State Records Showed Glen Eagle Healthcare Received 12 Citations Since March 2017

March 2017 To June 2019: Glen Eagle Received Nine Health Citations And Three Fire Citations From Georgia's Department Of Community Health. The link is provided for Glen Eagle's list of citations in their database. [Georgia Department of Community Health, Inspection Report Search, Accessed [5/8/20](#)]

As Of April 17, 2020 Glen Eagle Healthcare And Rehab Had One COVID-Positive Staff Member. [Georgia Department of Community Health, HFR COVID-19 Long-Term Care Facility Report, [4/17/20](#)]

Two Arizona Payday And Title Loan Lenders Together Received Between Up To \$3M In PPP Aid.

Cash Time Title Loans, Inc. Received Between \$1M And \$2M In PPP Money, Despite Having A Questionable History.

May 2020: Cash Time Title Loans, Inc. Received Between \$1M And \$2M In PPP Money

Date: 5/3/20

Recipient: Cash Time Title Loans, Inc.

Amount: \$1M - \$2M

Screenshot:

4/6/20 b \$2-5 million	TIDEWATER FINANCE COMPANY	6520 Indian River Road	VIRGINIA BEACH	VA	23464	522291
5/3/20 c \$1-2 million	CASH TIME TITLE LOANS INC	8590 E SHEA BLVD STE 110	SCOTTSDALE	AZ	85260	522291
4/14/20 c \$1-2 million	CAI CHU ATFD RISK ANALYTICS LLC	4000 MACARTHUR BLVD SUITE 800	NEWPORT BEACH	CA	92660	522291

[U.S. Small Business Administration, accessed [07/08/20](#)]

Cash Time Title Loans, Inc., Also Known As Cash Time Loan Centers, Offers "Title Loan And Personal Loan Services" Through Its "19 Locations In The Phoenix And Tucson Metro Areas." "Cash Time Loan Centers has been Arizona's leading source of trusted Title Loan and Personal Loan services for nearly 25 years. [...] We now have 19 locations in the Phoenix and Tucson Metro areas, making your cash loan even easier." [Cash Time Title Loans, accessed [07/17/20](#)]

2014: The President Of Cash Time Title Loans Scott Allen Sold His 7,223-Square-Foot Home For \$3.6 Million. "\$3,600,000 Christopher and Irene Biggs purchased a 7,223-square-foot house with a pool built in 2000 northwest of McCormick Park in Paradise Valley. Christopher Biggs is a radiation oncologist, and Irene Biggs is a pediatrician, both practicing in the Valley. The house was sold by Scott and Catherine Allen. He is president of Cash Time Title Loans, located throughout the Phoenix and Tucson areas." [Arizona Republic, 3/30/14]

October 2012: Allen Was Caught In A Potentially Illegal Contribution To Republican Congressional Candidate Jonathan Paton. "Closer to home, Scott Allen, the Scottsdale president of Cash Time Title Loans Inc., gave Paton \$5,000 this spring and another \$5,000 last month. That would appear to exceed the \$5,000 individual contribution limit set by federal rule. The Paton campaign said it was working with Allen on the matter. Allen did not return a call for comment Friday." [Arizona Republic, 10/20/12]

June 2014, Arizona Republic HEADLINE: "Quick Loans, Or Quicksand? Title Lenders Spread Across SEV" [Arizona Republic, [6/20/14](#)]

1 Stop Money Centers, LLC. Received Between \$350K And \$1M In PPP Money.

April 2020: 1 Stop Money Centers, LLC. Received Between \$350K And \$1M In PPP Money

Date: 4/5/20

Recipient: 1 Stop Money Centers, LLC

Amount: \$350K - \$1M

Screenshot:

4/8/20 C \$1-2 million	TRANSCEND SECURITY SOLUTIONS, LLC	4020 N 24TH ST, STE 200	PHOENIX	AZ	85016	551612 L
4/5/20 d \$350,000-1 million	1 STOP MONEY CENTERS, LLC	2633 E Indian School Rd Suite 355	PHOENIX	AZ	85016	522390 L

[U.S. Small Business Administration, accessed [07/08/20](#)]

1 Stop Money Centers Offered Title And Registration Loans In And Around Phoenix.

1 Stop Money Centers, LLC, Also Known As 1 Stop Title Loans, Offers Title Loans And Registration Loans Throughout The Phoenix Metropolitan Area. [1 Stop Title Loans, accessed [07/17/20](#)]



[1 Stop Title Loans, accessed [07/17/20](#)]

PPP Aid Went To A Profitable Adult Entertainment Company - With A Long History Of Failure To Pay Wages

SUMMARY: The Small Business Administration's Paycheck Protection Program was announced as a way for struggling small businesses to keep payroll and avoid layoffs during the COVID 19 pandemic. But the program has also resulted in funds going to large, public corporations – including a recent announcement from adult entertainment company RCI Hospitality Holdings, Inc., the parent company of Rick's Cabaret. Despite the program's intent, RCI records showed a company in good financial health but with a poor record of failure to compensate employees properly.

In 2015, following a five-year Fair Labor Standards Act lawsuit, RCI settled for \$15 million to a group of dancers who had worked for the company. RCI classified the dancers as "independent contractors" instead of employees, and provided them no wages – leaving workers reliant on extra private dances for income. A judge ultimately ruled for the dancers, leading to the settlement. But despite that ruling, RCI continues to try and classify dancers as independent contractors, and is facing on-going litigation in Texas from dancers on the same issue.

While the company fails to adequately pay workers, the company itself rakes in millions. The company made \$19.3 million in profit for 2019. The top executives of the company took home a combined \$2.1 million in 2019. And in 2018, the company spent \$2.9 million in stock buybacks, a process described by Harvard Business Review as not contributing to a company's productivity, but instead merely providing an avenue for top executives to enrich themselves.

RCI Hospitality Holdings Inc., Parent Company Of Rick's Cabaret "Gentleman's Clubs," Received Over \$5.4 Million In Paycheck Protection Program Funding

May 8, 2020: RCI Hospitality Holdings Inc. Received An Aggregate \$5.4 Million In Paycheck Protection Program Funding, Split Across Restaurants, Lounges, And A Shared-Service Subsidiary. “On May 8, 2020, the Company received approval and funding under the Paycheck Protection Program (‘PPP’) of the CARES Act for its restaurants, shared service entity and lounge. See Note 9. Ten of our restaurant subsidiaries received amounts ranging from \$271,000 to \$579,000 for an aggregate amount of \$4.2 million; our shared-services subsidiary received \$1.1 million; and one of our lounges received \$124,000. None of our adult nightclub and other non-core business subsidiaries received funding under the PPP.” [SEC – RCI Hospitality Holdings 8-K, [5/8/20](#)]

- **RCI Hospitality Said No Funding Went To Adult Nightclubs Under PPP, But Also Did Not Provide A List Of Locations Or Subsidiaries And The Amount They Received.** [SEC – RCI Hospitality Holdings 8-K, [5/8/20](#)]

RCI Hospitality Holdings Was The Parent Company For Rick’s Cabaret, And The Company Described Itself As Operating “Upscale Gentleman’s Clubs And Restaurants.” “RCI Hospitality Holdings, Inc. subsidiaries own and operate upscale gentlemen’s clubs and restaurants. Other activities include websites and a media division. Founded in 1983, the Rick’s Cabaret brand pioneered the creation of elegant gentlemen’s clubs featuring beautiful topless dancers and high quality restaurant service.” [RCI Hospitality Holdings, accessed [5/12/20](#)]

Rick’s Cabaret Has Faced Numerous Lawsuits Concerning Failure To Pay Workers, Including A 2015 Settlement For \$15 Million – And Continued To Face Lawsuits Over Labor Practices Into May 2020

Rick’s Cabaret Classified Exotic Dancers As Independent Contractors And Failed To Pay Wages, Leaving Dancers Reliant On Customers Paying For Private Dances. “Defendant Rick’s Cabaret (‘Rick’s’) opened in New York City in September 2005. Exotic dancers worked at Rick’s performing several different services, including public dances on one of Rick’s three stages, performances in semi-private rooms, and ‘personal dances’ (i.e., lap dances and table dances). Rick’s consistently classified the dancers as ‘independent contractors’ and never paid them any wages. All payments received by the dancers were in the form of payments from customers, including a \$20 charge for a personal dance.” [Wigdor LLP, [1/13/15](#)]

The Original FLSA Case Against RCI Was Initiated In March 2009. “We have been a defendant in a federal court, pending since March 30, 2009, in the Southern District of New York relating to claims under the Fair Labor Standards Act and New York’s wage and hour laws. Discovery is ongoing. The Company denies any liability in this matter and is vigorously defending the allegations.” [SEC – RCI Hospitality Holdings Inc 10-K, [12/14/12](#)]

At Rick’s Cabaret, Patrons Could Pay \$20 To Dancers Receive A Private Dance, Or Pay \$24 For A “Dance Dollar” Voucher Where Rick’s Cabaret Ultimately Kept \$6. “Defendant Rick’s Cabaret (‘Rick’s’) opened in New York City in September 2005. Exotic dancers worked at Rick’s performing several different services, including public dances on one of Rick’s three stages, performances in semi-private rooms, and ‘personal dances’ (i.e., lap dances and table dances). [...] All payments received by the dancers were in the form of payments from customers, including a \$20 charge for a personal dance. A personal dance could also be paid for with a voucher called a ‘Dance Dollar,’ which a customer could purchase from Rick’s with a credit card for \$24. At the end of her shift, a dancer redeemed each voucher for \$18, with Rick’s keeping the remaining \$6 paid for the Dance Dollar voucher.” [Wigdor LLP, [1/13/15](#)]

2015: Dancers Sued Rick’s Cabaret for Minimum Wage Violations And Retention Of Gratuities, With Rick’s Cabaret Arguing That, As Independent Contractors, The Dancers Were Not Covered By Labor Law. “Defendant Rick’s Cabaret (‘Rick’s’) opened in New York City in September 2005. Exotic dancers worked at Rick’s performing several different services, including public dances on one of Rick’s three stages, performances in semi-private rooms, and ‘personal dances’ (i.e., lap dances and table dances). [...] The dancers sued Rick’s for minimum wage violations and unlawful retention of gratuities. Rick’s claimed that because the dancers were independent contractors, not employees, they were therefore not covered by

the New York Labor Law or Fair Labor Standards Act minimum wage laws. Defendants argued in the alternative that, if they were liable for minimum wage violations, any money owed should be offset by the personal dance fees. Plaintiffs moved for summary judgment.” [Wigdor LLP, [1/13/15](#)]

April 2015: Dancers At Rick’s Cabaret Settled A Labor Lawsuit For \$15 Million, Following A Preliminary Judgment In Their Favor In The Amount Of \$10.9 Million. “Exotic dancers at a Midtown Manhattan strip club will receive up to \$15 million in a settlement announced on Wednesday resolving a lawsuit claiming they were employees unfairly classified as independent contractors. The settlement, disclosed in court papers, came after a Manhattan federal judge in November awarded dancers at its Rick’s Cabaret club \$10.9 million and ahead of a April 27 trial over further amounts they sought.” [Reuters, [4/1/15](#)]

A Judge Found Rick’s Cabaret Dancers Were Entitled To Minimum Wage Protections Under Federal Law. “Exotic dancers at a Midtown Manhattan strip club will receive up to \$15 million in a settlement announced on Wednesday resolving a lawsuit claiming they were employees unfairly classified as independent contractors. [...] The strippers did not receive salaries, only tips and fees for dances, usually \$20, and payment for time spent with customers in semi-private rooms. As employees, the judge found, they were entitled to minimum [sic] wage protections under federal law.” [Reuters, [4/1/15](#)]

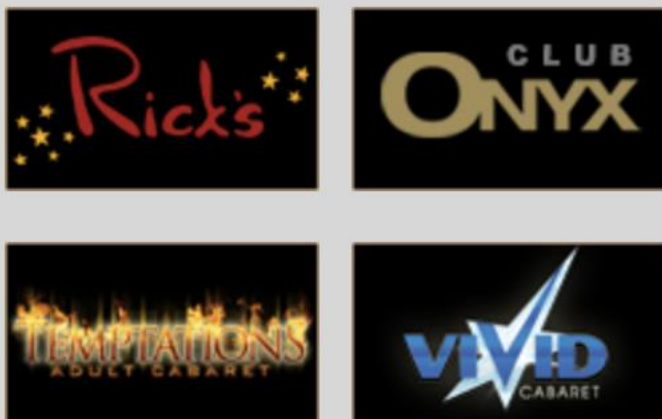
As Of May 2020, RCI Holdings Was In An Ongoing Case Involving A Fair Labor Standards Act Complaints From A Former Dancer

NOTE: Case is still being litigated as of May 2020.

June 2019: A Former Temptations Cabaret Dancer Sued RCI After Working At The Location For Three Years, Alleging The Company Failed To Provide Wages, Meet Minimum Wage Requirements, Or Receive Overtime. “Plaintiff Gabrielle Rogers is a nonexempt former employee who worked at Temptations Cabaret located at 5900 College Street, Beaumont, TX 77707 from on or about November of 2015 through on or about November of 2018. During her tenure as a dancer at Defendants’ adult entertainment club, she did not receive the FLSA mandated minimum wage for all hours worked nor did she receive time and a half her regular rate for each hour worked over 40 each week. In fact, Defendants refused to compensate her whatsoever for any hours worked. Plaintiff’s only compensation came in the form of tips from club patrons. Moreover, Plaintiff was required to divide her tips with Defendants and other employees who do not customarily receive tips. Therefore, Defendants have failed to compensate Plaintiff at the federal mandated minimum wage and overtime rate.” [US District Court for Eastern Texas - Case 1:19-cv-00266-MJT (Plaintiff’s Complaint), 06/18/19]

Temptations Cabaret Was A Subsidiary Of RCI Holdings.

Our Subsidiary Brands



[RCI Hospitality Holdings, accessed [5/12/20](#)]

Eric Langan Was The Owner Of Temptations Cabaret. “Defendant 12291 CBW, LLC d/b/a Temptations Cabaret is a gentlemen’s club for adult entertainment with locations throughout Texas and Louisiana that operate under the assumed name of Temptations Cabaret. Defendant Eric Langan is the owner, president, and director of 12291 CBW, LLC.” [US District Court for Eastern Texas - Case 1:19-cv-00266-MJT (Plaintiff’s Complaint), 06/18/19]

The Lawsuit Against Temptations Cabaret Alleged The Company “Routinely Misclassified All Dancers As Independent Contractors.” “Defendants’ classification of Plaintiff as an independent contractor was not due to any unique factor related to her employment or relationship with Defendants. As a matter of common business policy, Defendants routinely misclassified all dancers as independent contractors as opposed to employees.” [US District Court for Eastern Texas - Case 1:19-cv-00266-MJT (Plaintiff’s Complaint), 06/18/19]

May 5, 2020: In The Most Recent Action On The Case, RCI Hospitality Holdings Responded To The Plaintiff’s Claims, Arguing Their Contractor Status Meant They Were Not Entitled To Wages. “Defendant 12291 CBW, LLC admits that it operates Temptations Cabaret in Fort Worth. [...] Defendants admit that they did not compensate Plaintiffs and deny that they were required to compensate Plaintiffs at the applicable minimum wage rate or overtime rate. Defendants deny that they unlawfully refused to compensate Plaintiffs whatsoever for any hours and deny that they worked for Defendants. [...] Defendants deny that they have attempted to justify their conduct by ‘illegally’ classifying the Plaintiffs and putative Class Members as independent contractors rather than as employees. Defendants deny that it is the law that exotic dancers are categorically employees under the FLSA.” [US Court for the Eastern District of Texas - Case 1:19-cv-00266-MJ (Defendants’ First Supplemental Answer to Plaintiff’s Second Amended Complaint, 5/5/20)]

RCI Hospitality Reported \$19 Million In Profit, Engaged In \$2.9 Million In Stock Buybacks, And Paid Out \$2.1 Million To Top Executives

2019: RCI Hospitality Made \$19.3 Million In Profit, Following Up On \$20.9 Million In 2018.

Following are our summarized cash flows from operating activities (in thousands):

	Year Ended September 30,		
	2019	2018	2017
		(As Revised)	
Net income	\$ 19,326	\$ 20,960	\$ 8,282

[SEC – RCI Hospitality Holdings Inc. 10-K [2/13/20](#)]

2018: RCI Hospitality Spent \$2.9 Million In Stock “Buybacks,” Or Repurchasing Of Common Stock. “As part of our capital allocation strategy, we buy back shares in the open market or through negotiated purchases, as authorized by our Board of Directors. During fiscal years 2019, 2018, and 2017, we paid for treasury stock amounting to \$2.9 million, \$0, and \$1.1 million representing 128,040 shares, 0 shares, and 89,685 shares, respectively. We have \$10.2 million remaining to purchase additional shares as of September 30, 2019.” [SEC – RCI Hospitality Holdings Inc. 10-K [2/13/20](#)]

- **Harvard Business Review: Stock Buybacks “Make No Contribution To The Productive Capabilities Of The Firm,” Instead Serving To Enrich Senior Corporate Executives.** “Stock buybacks made as open-market repurchases make no contribution to the productive capabilities of the firm. Indeed, these distributions to shareholders, which generally come on top of dividends, disrupt the growth dynamic that links the productivity and pay of the labor force. [...] Why have U.S. companies done these massive buybacks? With the majority of their compensation coming from stock options and stock awards, senior corporate executives have used open-market repurchases to manipulate their companies’ stock prices to their own benefit and that of others who are in the business of timing the buying and selling of publicly listed shares.” [Harvard Business Review, [01/07/2020](#)]

2019: RCI Hospitality Top Executives Took Home Over \$2.1 Million In Total Compensation.

Name and Principal Position	Year	Salary (\$)	Stock Awards (\$)	Option Awards (\$)	All Other Compensation(1) (\$)	Total (\$)
Eric S. Langan <i>President and Chief Executive Officer</i>	2019	1,200,000	-	-	81,355	1,281,355
	2018	1,015,384	-	-	119,904	1,135,288
	2017	900,000	-	-	158,673	1,058,673
Phillip K. Marshall <i>Chief Financial Officer</i>	2019	325,000	-	-	34,067	359,067
	2018	294,231	-	-	32,580	326,811
	2017	263,942	-	-	27,396	291,338
Travis Reese <i>Executive Vice President</i>	2019	390,000	-	-	76,622	466,622
	2018	346,854	-	-	73,722	420,576
	2017	320,000	-	-	66,579	386,579

[SEC – RCI Hospitality Holdings Inc. 10-K [2/13/20](#)]

Town Sports International Holdings, With Over 9000 Employees, Continued To Charge Members In New York After Shutting Down Their Gyms Due To COVID, And Was Publicly Contemplating Bankruptcy – Just Weeks Before Receiving \$2.7 Million In Small Business Relief Funding

Town Sports International Holdings Received \$2.7 Million In Funding From The Small Business Administration's Paycheck Protection Program, Despite Having 9,200 Employees

April 24, 2020: Town Sports International Holdings, Through A Subsidiary, Received \$2,742,200 In COVID 19 Relief From The Paycheck Protection Program. “On April 24, 2020, Town Sports International, LLC (‘TSI LLC’), a wholly-owned operating subsidiary of Town Sports International Holdings, Inc. (the ‘Company’) received funding in connection with ‘Small Business Loans’ under the federal Paycheck Protection Program provided in Section 7(a) of the Small Business Act of 1953, as amended by the Coronavirus Aid, Relief and Economic Security Act, as amended from time to time (the ‘PPP’). Pursuant to the terms of the Business Loan Agreement and Promissory Note dated as of April 20, 2020, by TSI LLC in favor of BankUnited, N.A., a national banking association, TSI LLC borrowed \$2,742,200 original principal amount, which was funded on April 24, 2020 (the ‘PPP Loan’).” [SEC – Town Sports International Holdings 8-K, [4/30/20](#)]

Per SEC Filings, Town Sports International Had Approximately 9,200 Employees. “On December 31, 2019, we had approximately 9,200 employees, approximately 1,900 of whom were employed full-time.” [SEC – Town Sports International Holdings 10-K, [3/202/20](#)]

Town Sports International Holdings Had Been Contemplating Bankruptcy In Early April, And One Of Their Gyms Received Criticism For Continuing To Charge Customers For Memberships After Closing Their Facilities

New York Sports Club Shuttered Gyms In Mid-March – But The Company Continued To Charge Customers For Memberships, Saying They Would Need To Mail In Requests. “New York Sports Club, owned by parent company Town Sports International, wrote on its Facebook page on March 16 that it would temporarily shutter its New York, New Jersey and Connecticut locations. However, gym members are lashing out at the company for continuing to charge them despite being unable to use the facilities. [...] Namorata also contacted the New York Attorney General's Office, which reportedly told her the gym would not automatically freeze member account. Customers instead would have to mail in requests to freeze or cancel their gym memberships, which could result in additional fees, according to court documents.” [Fox Business, 3/27/20]

- **Town Sports International Owned New York Sports Club.** “The owner of the New York Sports Club chain is weighing a Chapter 11 bankruptcy filing, as 95 percent of the company's gyms across the country remain closed to curb the spread of coronavirus, according to a report by Bloomberg Law. Town Sports International Holdings Inc. has reportedly been in talks with advisers and lenders to get ahead of its nearly \$200 million loan maturity in November.” [Fox Business, [4/14/20](#)]

April 14, 2020, Fox Business HEADLINE: “Coronavirus Prompts New York Sports Club Parent Town Sports International To Consider Bankruptcy: Report” [Fox Business, [4/14/20](#)]

- **Town Sports International Was Considering Bankruptcy In Mid-April, Including Meeting With Law Firms And Restructuring Specialists.** “The owner of the New York Sports Club chain is weighing a Chapter 11 bankruptcy filing, as 95 percent of the company's gyms across the country remain closed to curb the spread of coronavirus, according to a report by Bloomberg Law. The company is reportedly seeking advice from lawyers at Olshan Frome Wolosky LLP and interviewing investment bankers to serve as the company's financial adviser. A group of lenders is working with law firm Gibson Dunn & Crutcher LLP and restructuring specialists at FTI Consulting Inc., according to Bloomberg.” [Fox Business, [4/14/20](#)]

In March 2020, Town Sports Reported There Was “Substantial Doubt” About The Company’s Survival, Citing COVID 19 And A Need To Refinance Debt Prior To A November Maturity Date. “In Town Sports' annual report, the company warned last month there's 'substantial doubt about its survival'. 'Our ability to continue as a going concern will depend upon our ability to refinance our debt prior to its maturity,' the company said in the filing. 'There can be no assurance that we will be able to refinance our debt, or if we are able to refinance our debt, that such financing will be on terms favorable to us.' [...] As the coronavirus creates growing uncertainty around when Town Sports' clubs will be able to reopen, the company says it is 'likely to experience reduced customer demand, a significant increase in membership terminations and may be unable to recover these members or generate new ones,' according to last month's filing.” [Fox Business, [4/14/20](#)]

Town Sports International Had Been In A Deal With Spin Studio Flywheel Sports To Refinance Their Debt, But The Deal Fell Through Following COVID 19. “A rescue refinancing deal for Town Sports, the heavily indebted owner of the New York Sports Club gym chain, is in doubt along with the company's acquisition of Flywheel Sports, the boutique spin studio operator popular with Wall Streeters, according to three people familiar with the matter. The \$25m takeover and \$50m loan financing agreed in January between Town Sports and investment group Kennedy Lewis, which owns Flywheel, had been delayed by the coronavirus outbreak and the companies were trying to negotiate a way forward, the people said.” [Financial Times, [3/27/20](#)]

FAILED THOSE NEEDING HELP THE MOST:
The Paycheck Protection Program Failed To
Help The Most Vulnerable Businesses And
Communities

Small Businesses Were Among The Most Threatened By The COVID-19 Pandemic, Yet Studies Showed They Often Wound Up Behind Large And Connected Entities In The Line For PPP Relief

Section Summary: The economic impacts on small businesses from COVID-19 was not a surprise – existing studies from JP Morgan Chase showed they had deep worries with a slowdown in income, and that small businesses lacked the “buffer capital” to weather a storm. Yet a Wall Street Journal article, as well as an internal review by the Small Business Administration’s inspector general, showed the program did not take steps to reach underserved markets and to reach the neediest businesses.

- Small business owners nationwide have noticed the impact: they have criticized the PPP’s poor design, the unfair disbursements, and the general difficulty of the application process.

Studies By JP Morgan Chase And Elsewhere Predicted Small Business Firms Would Have Trouble With Prolonged Closures, And Stood To Be Most Harmed By COVID-19

JP Morgan Chase, 2016: Half Of All Small Businesses Had Enough Cash On Hand To Survive Only 27 Days Without New Money Coming In. “According to a widely cited 2016 study by JP Morgan Chase, half of all small businesses have enough cash on hand to survive for only 27 days without new money coming in the door. The bar and restaurant industry tends to be particularly vulnerable. The average small service business has enough money on hand to survive just 19 days without any income.” [The Street, [3/25/20](#)]

The Street: Small Businesses Lacked The “Buffer Capital” That Large Businesses Had To Survive Downturns While Covering Necessities Like Rent, Payroll, And Debt Payments. “Brick-and-mortar businesses like restaurants tend to particularly struggle when it comes to saving up this kind of so-called buffer capital because they generally have to maintain high overhead costs. Rent, debt, fixtures, taxes, payroll, service contracts, utilities, insurance and more all add up to a monthly overhead budget that is very difficult to scale back during difficult times. [...] Large companies have resources to cover those expenses during a downturn. Major retail and restaurant chains build cash by taking advantage of efficiencies of scale to outperform their smaller competitors, giving them the reserves to survive a recession. They also have access to better lending options than a local operation, making it easier and cheaper to get cash to pay their bills during the quarantine.” [The Street, [3/25/20](#)]

93-Percent Of Small Firms In The Hotel And Food-Services Industry Reported Moderate Or Severe Business Troubles From COVID 19, With 80-Percent Of Those Firms Receiving PPP Money. “Around 93.6% of small firms with employees in the hotel and food-services industry reported moderate or severe negative business troubles linked to the pandemic, and 80.2% of them received PPP money, a Census Bureau survey found.” [Wall Street Journal, [6/17/20](#)]

External Studies Showed Companies Without Connections Were Penalized In PPP Wait Times, And Internal Investigations Showed The Administration Failed To Prioritize Underserved And Rural Markets In Need Of Loans

WSJ: Businesses Without Existing Relationships With Banks Wound Up At The “Tail End Of Weekslong Lines” For PPP Funding. “The Paycheck Protection Program, which sped through Congress, was a rare instance of bipartisan cooperation between lawmakers and the administration, and opened for business on April 3, just two weeks after it was drafted. [...] Some businesses were too small to have relationships with banks, which processed the loans, leaving small entrepreneurs—sole proprietors, mom-and-

pop operations and the like—at the tail end of weekslong lines. Some had poor records or little, if any, payroll.” [Wall Street Journal, [6/17/20](#)]

A Small Business Administration Inspector General Report On The Early Impact Of The PPP Noted The Administration Failed To Prioritize “Underserved And Rural Markets” Per Congressional Intent, And Criticized Failure To Note Demographic Information. “Prioritizing Underserved and rural Markets – We did not find any evidence that SBA issued guidance to lenders to prioritize the markets indicated by the Act. Further, SBA did not include the optional standard demographic information for principals on its PPP loan application.” [Small Business Administration – “Implementation of the Paycheck Protection Program Requirements,” [5/8/20](#)]

NOTE: Demographic information was subsequently added.

Nationwide, Small Business Owners Criticized Aspects Of PPP’s Implementation

Difficulty Of Process

USA Today: Restaurant Owners In Evansville, IN, Were Left Confused And Wary By The SBA Loan Process. “Other small businesses are befuddled by the loan process. David and Danielle Hodge closed their restaurant, Siciliano Subs, in Evansville, Indiana, a couple of weeks ago and laid off their four part-time employees. ‘I am afraid that I will not have enough money to pay rent next month and place a food order,’ David says. ‘I am praying we can get through this as quickly as possible so I can reopen. There is also a huge fear of reopening but people not being able to afford to come to eat at Siciliano’s because they are struggling financially.’ Yet the Hodges have balked at applying for an SBA loan. ‘We are confused with the process, and we have no idea who we are supposed to ask to clarify questions,’ David says. ‘There are too many what-ifs factors that scare us. We barely make it month to month, and what if I have to pay (the loan) back?’” [USA Today, [4/13/20](#)]

A Detroit Bookseller, Who Failed To Receive A Federal Loan, Said Her Experience Matched Fellow Booksellers, And That The Only Successful Applications Applicants Had A Personal Connection To Their Bank. “Janet Jones, owner of the bookstore Source Booksellers, 4240 Cass in Detroit, also applied for a paycheck protection loan, but has yet to receive it. She is thankful for a \$2,500 emergency grant she received from TechTown Detroit’s Small Business Stabilization Fund, which helped her make store bill payments. Jones said she knows that her paycheck protection experience wasn’t unique. ‘We’ve had a lot of contact with virtual meetings with our fellow booksellers across the country,’ Jones said. ‘The only ones who seem to have gotten through is someone who had a connection with a bank on a personal level.’” [Detroit Free Press, [4/24/20](#)]

Southeast Michigan Pub Owner And President Of Detroit’s Corktown Business Association: “I Don’t Think That The Process With Awarding The Loans Was Very Equitable And Inclusionary.” “‘I don’t think that the process with awarding the loans was very equitable and inclusionary,’ Roberts said. ‘It was a race to see who got (applications) in first, and more importantly, whether or not your bank had their processes and procedures down to be able to process your application.’” [Detroit Free Press, [4/24/20](#)]

Unfair Disbursement

The Director Of The Colorado National Federation Of Independent Business Said They Found Some Of The Companies Who Received Small Business Funds “Unconscionable.” “After some big companies sucked up tens of millions in funding from the first PPP round — with many of them promptly returning it under public scrutiny later — Tony Gagliardi, the Colorado director of the National Federation of Independent Business, was hopeful his members would have better luck in Round 2. Just 20% of NFIB’s Colorado members that applied for the prior round had money deposited in their accounts as of Monday, he said. ‘We found unconscionable who some of these loans in the last round ended up going to,’ Gagliardi said.” [Denver Post, [4/28/20](#)]

A Frozen Yogurt Store And Business Owner, Awaiting His Own PPP Aid, Responded To Small Business Aid Going To Large Corporations: “I Can’t Say I Am Angry Because, Truthfully, I Almost

Expected It.” “Thanks to the way Congress structured a massive economic aid bill for the new coronavirus pandemic, a chain restaurant like Taco Cabana qualifies as a small business and competes with the family-owned dry cleaner for the same loans earmarked for small companies. [...] ‘I can’t say I am angry because, truthfully, I almost expected it,’ said Haywood Prejean, a Cedar Hill business owner who has three companies. He submitted several applications for federal aid created by the Coronavirus Aid, Relief and Economic Security Act to support his frozen yogurt store, his corporate vending business and the workspace he leases to hairstylists.” [Texas Tribune, [4/23/20](#)]

Frozen Yogurt Store Owner: “I’m 63 Years Old, And I’ve Seen A Lot [Of] Politics And Things Tend To Work By Being In The Right Place At The Right Time Or Who You Know And How You’re Connected.”

“‘I can’t say I am angry because, truthfully, I almost expected it,’ said Haywood Prejean, a Cedar Hill business owner who has three companies. [...] ‘I’m 63 years old, and I’ve seen a lot and politics and things tend to work by being in the right place at the right time or who you know and how you’re connected,’ he added.” [Texas Tribune, [4/23/20](#)]

Poor Design

Restaurant Co-Owner Said The PPP’s Eight-Week Timeline Was Not Friendly To Business Owners, And A Longer-Term Plan Was Necessary.

“‘We received the PPP loan in the first round, which is giving us the opportunity to pay our staff for eight weeks. The loan, unfortunately, will not help us to reopen and return to inside dining service,’ echoed SALT co-owner Carol Vilate. ‘The timeline of the PPP loan makes re-staffing for any longer than the eight weeks impossible,’ she continued. ‘We are grateful to be able to pay our staff now, but we need a longer-term plan to be able to survive the next two years. So much depends on the safety our guests feel and the experience we can give them.’” [303 Magazine, [5/14/20](#)]

A Sole Proprietor Owner Criticized The PPP’s Lack Of Communication To Business Owners, Saying They Were Bearing The Brunt Of The Process.

“‘The application wasn’t too bad,’ says Scott Miller, the sole proprietor behind Geeks on the Go, who submitted an application after reading about the program in the press. ‘You get this receipt. It’s this thing that gives you an application number. ‘Don’t call us, we’ll call you.’ No phone number. No address. Nothing. Just ‘we have it’ and it verifies your email.’ [...] Miller isn’t sure where to go from here. He and his wife, who run the business together, are living off their savings. Neither can apply for unemployment benefits through the state because it isn’t yet set up to handle applications from self-employed people. ‘I recognize the need for having done what we needed to,’ he says of the shutdown of non-essential businesses, which shuttered all of his small business clients in mid-March and triggered them to end their services and projects with him. ‘The risk to people’s health was too much. But it’s hard when you’re bearing the brunt of this.’” [Nevada Current, [4/14/20](#)]

PPP Was Racially Inequitably Distributed: The Ten Congressional Districts With The Highest Percentage Of Black Residents Got Up To 35-Percent Less In PPP Funds Than The Ten Districts With The Lowest Percentage

Section Summary: An Accountable.US study of racial demographics across congressional districts showed a trend, as zip codes with the highest percentage of Black residents received up to \$12.9 billion less in PPP funds (and 64,482 less PPP loans overall) than the 10 districts with the lowest percentage.

- Other studies have shown upwards of 90-percent of businesses owned by people of color were likely shut out of the PPP, and a finding that only 12-percent of Black-and-Latino businesses who applied for SBA relief received what they were looking for.

NOTE: This section reviews congressional district demographics against PPP topline; for an analysis of particular cities and racial equity across zip codes, check Appendix B.

The 10 Congressional Districts With The Highest Percentage Of Black Residents Received Up To \$12,901,349,419.83 Less In Paycheck Protection Program (PPP) Loan Funds Than The 10 Districts With The Lowest Percentage of Black Residents.

The 10 Congressional Districts With The Highest Percentage Of Black Or African-American Individuals Received As Much As \$23,420,849,174.65 In PPP Loans. [Accountable.US, [07/20/20](#)]

- **This Included A Maximum Of \$12,380,249,174.65 In PPP Loans Valued At Less Than \$150,000.** [Accountable.US, [07/20/20](#)]
- **This Included A Maximum Of \$11,040,600,000.00 In PPP Loans Valued At \$150,000 Or More.** [Accountable.US, [07/20/20](#)]

The 10 Congressional Districts With The Lowest Percentage Of Black Or African-American Individuals Received As Much As \$36,322,198,594.48 In PPP Loans. [Accountable.US, [07/20/20](#)]

- **This Included A Maximum Of \$21,082,798,594.48 In PPP Loans Valued At Less Than \$150,000.** [Accountable.US, [07/20/20](#)]
- **This Included A Maximum Of \$15,239,400,000.00 In PPP Loans Valued At \$150,000 Or More.** [Accountable.US, [07/20/20](#)]

There Were 64,482 More PPP Loans In The 10 Congressional Districts With The Lowest Percentage Of Black Residents Than There Were In The 10 Districts With The Highest Percentage—705 More Loans Per 100,000 People.

The 10 Congressional Districts With The Highest Percentage Of Black Or African-American Individuals Received 94,082 PPP Loans. [Accountable.US, [07/20/20](#)]

The 10 Congressional Districts With The Lowest Percentage Of Black Or African-American Individuals Received 158,564 PPP Loans. [Accountable.US, [07/20/20](#)]

There Were 705.07 Fewer PPP Loans Per 100,000 People In The Districts With The Highest Black Populations. [Accountable.US, [07/20/20](#)]

The Ten Congressional Districts With The Highest Percentage Of Black Residents Received Hundreds Less In PPP Loan Dollars Per Capita Than The Ten Districts With The Lowest Percentage—36% Less For Loans Under \$150K And 22% Less For Loans Of \$150K Or More.

The 10 Congressional Districts With The Highest Percentage Of Black Residents Received \$953.41 Less Per Capita For Loans Of Less Than \$150,000 Than The Districts With The Lowest Percentage.

Among The 10 Districts With The Highest Percentage Of Black Or African-American Individuals, The Average Per Capita Amount Of PPP Loans Of Less Than \$150,000 Was \$1,655.46. [Accountable.US, [07/20/20](#)]

Among The 10 Districts With The Lowest Percentage Of Black Or African-American Individuals, The Average Per Capital Amount Of PPP Loans Of Less Than \$150,000 Was \$2,608.87. [Accountable.US, [07/20/20](#)]

The 10 Congressional Districts With The Highest Percentage Of Black Residents Received \$419.50 Less Per Capita For Loans Of \$150,000 Or More Than The Districts With The Lowest Percentage.

Among The 10 Districts With The Highest Percentage Of Black Or African-American Individuals, The Average Per Capita Amount Of PPP Loans Of \$150,000 Or More Was \$1,471.47. [Accountable.US, [07/20/20](#)]

Among The 10 Districts With The Lowest Percentage Of Black Or African-American Individuals, The Average Per Capital Amount Of PPP Loans Of \$150,000 Or More Was \$1,890.96. [Accountable.US, [07/20/20](#)]

The PPP Has Deeply Neglected Minority-Owned Small Businesses, With Over 90% Of Non-White Small Businesses Reportedly Lacking Access To The Program And Only 12% Of Black- And Latino-Owned Applicants Getting The SBA Relief They Requested.

The PPP Has Faced Criticism For Severely Disadvantaging Minority-Owned Small Businesses, With Over 90% Expected To Have No Access To The Program.

According To The Center For Responsible Lending, Upwards Of 90% Of Businesses Owned By People Of Color Have Been, Or Will Likely Be, Shut Out Of The Paycheck Protection Program. "'Based on how the program is structured, we estimate that upwards of 90% of businesses owned by people of color have been, or will likely be, shut out of the Paycheck Protection Program,' said Ashley Harrington, director of federal advocacy and senior council for the Center for Responsible Lending, a non-profit group that combats abusive lending practices and recently examined the loan program's parameters." [CBS News, [04/22/20](#)]

“Roughly 95% Of Black-Owned Businesses, 91% Of Latino-Owned Businesses, 91% Of Native Hawaiian Or Pacific Islander-Owned Businesses, And 75% Of Asian-Owned Businesses Stand Close To No Chance Of Receiving A PPP Loan Through A Mainstream Bank Or Credit Union.” [CBS News, [04/22/20](#)]

Only 12% Of Black- And Latino-Owned Businesses That Applied For SBA Relief, Including Its Paycheck Protection Program, Have Gotten What They’ve Asked For.

Only 12% Of Black And Latino Business Owners Who Applied For SBA Relief Have Received What They Ask For And 26% Said They “Received Only A Fraction Of What They Had Requested.” “Black and

Latino business owners are struggling to get pandemic assistance under the Paycheck Protection Program and other federal aid efforts, a new survey has found, and many say they are on the brink of closing permanently. [...] Just 12 percent of the owners who applied for aid from the Small Business Administration — most of them seeking loans in the \$650 billion paycheck program — reported receiving what they had asked for, while 26 percent said they had received only a fraction of what they had requested. Nearly half of all owners said they anticipated having to permanently close in the next six months.” [New York Times, [05/18/20](#)]

Detailed Data For PPP Loans Of \$150,000 Or More Was Released On July 6, 2020.

July 6, 2020: The Small Business Administration Released Detailed Data On Paycheck Protection Program Loans Of \$150,000 Or More. [U.S. Small Business Administration, [07/06/20](#)]

Congressional Districts Considered In This Analysis

Congressional Districts W/ Highest Black Populations			
Congressional District	Total Population	Race: Black / African-American Alone	Percentage
Congressional District 9 (116th Congress), Tennessee	712723	479340	67.25%
Congressional District 2 (116th Congress), Mississippi	695797	465342	66.88%
Congressional District 7 (116th Congress), Alabama	660468	416885	63.12%
Congressional District 2 (116th Congress), Louisiana	794121	491080	61.84%
Congressional District 4 (116th Congress), Georgia	785104	472419	60.17%
Congressional District 13 (116th Congress), Georgia	757521	451182	59.56%
Congressional District 5 (116th Congress), Georgia	793039	466017	58.76%
Congressional District 2 (116th Congress), Illinois	694459	393578	56.67%
Congressional District 14 (116th Congress), Michigan	704494	394916	56.06%
Congressional District 3 (116th Congress), Pennsylvania	736340	407657	55.36%

Congressional Districts W/ Lowest Black Populations			
Congressional District	Total Population	Race: Black / African-American Alone	Percentage
Congressional District 2 (116th Congress), Colorado	812357	7708	0.95%
Congressional District 3 (116th Congress), Utah	773622	7338	0.95%
Congressional District 3 (116th Congress), Colorado	753595	7103	0.94%
Congressional District 7 (116th Congress), Wisconsin	710420	5661	0.80%
Congressional District 1 (116th Congress), Idaho	912950	6900	0.76%
Congressional District 2 (116th Congress), Oregon	831343	5956	0.72%
Congressional District 4 (116th Congress), Oregon	814998	5543	0.68%

Congressional District (at Large) (116th Congress), Wyoming	577737	3667	0.63%
Congressional District 2 (116th Congress), Idaho	841258	5175	0.62%
Congressional District (at Large) (116th Congress), Montana	1062305	5056	0.48%

Studies And Reports Early In PPP's Implementation Anticipated Issues For Minority Businesses

April 2020: The Center For Responsible Lending Estimated That “90% Of Businesses Owned By People Of Color Have Been, Or Will Likely Be, Shut Out Of The Paycheck Protection Program.” “Based on how the program is structured, we estimate that upwards of 90% of businesses owned by people of color have been, or will likely be, shut out of the Paycheck Protection Program,’ said Ashley Harrington, director of federal advocacy and senior council for the Center for Responsible Lending, a non-profit group that combats abusive lending practices and recently examined the loan program's parameters.” [CBS News, [04/22/20](#)]

The Center For Responsible Lending Also Estimated That “Roughly 95% Of Black-Owned Businesses, 91% Of Latino-Owned Businesses, 91% Of Native Hawaiian Or Pacific Islander-Owned Businesses, And 75% Of Asian-Owned Businesses Stand Close To No Chance Of Receiving A PPP Loan Through A Mainstream Bank Or Credit Union.” “Roughly 95% of Black-owned businesses, 91% of Latino-owned businesses, 91% of Native Hawaiian or Pacific Islander-owned businesses, and 75% of Asian-owned businesses stand close to no chance of receiving a PPP loan through a mainstream bank or credit union,’ the center warned on April 6 as the Paycheck Protection Program, or the PPP, was starting to take applications.” [CBS News, [04/22/20](#)]

SBA Inspector General: The SBA Failed To Direct Private Lenders To Prioritize Businesses In Rural Markets And Those Owned By Women And People Of Color, As Congressionally Intended, And Did Not Require The Collection Of Demographic Information. “A federal watchdog concluded last month that the SBA failed to direct private lenders to prioritize businesses in rural markets and those owned by people of color and women, as Congress intended. It didn’t require the collection of demographic information either, which means the agency won’t be able to know whom the loans went to. Since the Inspector General’s report, the SBA started to do webinars about the program in multiple languages, which some offices in Texas were already doing, according to Abell.” [ProPublica, [6/5/20](#)]

Center For Responsible Lending: 95-Percent Of Black Businesses, 91-Percent Of Latino-Owned Businesses, And 75-Percent Of Asian-Owned Businesses Had No Employees Other Than The Business Owner, And Thus Had “No Chance Of Receiving A PPP Loan Through A Mainstream Bank.” “Numbers from the Center for Responsible Lending show that 95 percent of black-owned businesses, 91 percent of Latin-owned businesses and 75 percent of Asian-owned businesses have no employees other than the business owner, and ‘stood no chance of receiving a PPP loan through a mainstream bank or credit union,’ Johns said.” [Triangle Business Journal, [6/29/20](#)]

Center For Responsible Lending: Black And Latino Business Owners Were More Likely To Rely On Personal Credit And Less Likely To Have A Relationship With A Commercial Lender. “With the Paycheck Protection Program’s application window set to close June 30, Congress could soon turn its attention to the next iteration of the relief program. And some experts argue the focus should be on minority-owned businesses. [...] And minority business owners were less likely to have a relationship with a commercial lender, said Ashley Harrington, federal advocacy director and a senior counsel at the Center for Responsible Lending. ‘Black and Latino business owners are also more likely to rely on personal credit,’ she explains. ‘It excluded almost all of them by its very design,’ Johns said about PPP.” [Triangle Business Journal, [6/29/20](#)]

The Paycheck Protection Program Failed Black Woman-Owned Businesses

Just One Black Woman-Owned Business Received A PPP Loan Above \$5 Million

Just One Black Woman-Owned Businesses Received a PPP Loan above \$5 Million. According to the self-reported demographic data the SBA released in early July, just one Black woman-owned business – Sunrise Services, Inc. In Everett, WA – received a Paycheck Protection Program loan in the highest loan range of \$5 to \$10 million. [SBA PPP Data, released [7/07/20](#); Sunrise Services, accessed [8/11/20](#)] See Chart 1 below.

Less Than Half Of One Percent Of Ppp Loans With Reported Demographic Data Went To Black Woman-Owned Businesses While Seventy Percent Of Those Same PPP Loans Went To Businesses Owned By White Men

Black Women Received Less than One Percent of PPP Loans that Included Gender and Race Data. Of the 86,135 loans distributed as part of the Paycheck Protection Program that reported both gender- and race-based demographics for loans above \$150,000, just 420 loans were given to Black woman-owned businesses, or 0.48%. [SBA PPP Data, released [7/07/20](#)] See Chart 1 below.

...Meanwhile White Men Received Nearly 70 Percent of PPP Loans that Included Gender and Race Data. Of the 86,135 loans above \$150,000 distributed as part of the Paycheck Protection Program that reported both gender- and race-based demographics, 59,849 loans were given to White man-owned businesses, or 69.5%. [SBA PPP Data, released [7/07/20](#)] See Chart 1 below.

Just 35 Black Woman-Owned Businesses Received A PPP Loan Above \$1 Million, Compared To Over 6,500 Businesses Owned By White Men

Just 35 Black Woman-Owned Businesses Received a PPP Loan above \$1 Million. According to the self-reported demographic data the SBA released in early July, 35 Black woman-owned businesses received a Paycheck Protection Program loan above \$1 million. [SBA PPP Data, released [7/07/20](#)] See Chart 2 below.

...Meanwhile Over 6,500 Businesses Owned by White Men Received a PPP Loan above \$1 Million. According to the self-reported demographic data the SBA released in early July, 6,636 businesses owned by white men received a Paycheck Protection Program loan above \$1 million. [SBA PPP Data, released [7/07/20](#)] See Chart 2 below.

Black Woman-Owned Businesses Received Between \$128.3 Million And \$313.7 Million...\$330 Million Was The Amount About 80 Publicly Traded Companies Had Received In Just The First Few Weeks Of The Program

Black Women Received At Least \$128 Million, But Only as Much as \$313 Million. According to the self-reported demographic data the SBA released in early July for PPP loans made above \$150,000, Black woman-owned businesses received between \$128,350,000 and \$313,700,000 in PPP loans. [SBA PPP Data, released [7/07/20](#)] See Chart 1 below.

...By Comparison, in the First Few Weeks of PPP, Just About 80 Publicly Traded Companies Received More Than \$330 Million. “When the federal government rolled out the program, more than 80 publicly traded companies were among the first in line. They secured a total of more than \$330 million from the loan program, according to Securities and Exchange Commission filings.” [Wall Street Journal, [4/13/20](#)]

Average Loan For A Black Woman-Owned Business Would Have Been Between \$305k And \$746k

Black Women Received an Average of Between \$305K and \$746K. According to the self-reported demographic data the SBA released in early July, Black woman-owned businesses received an average of between \$305,595 and \$746,904 in PPP loans. [SBA PPP Data, released [7/07/20](#)] See *Chart 1 below*.

If Black Woman-Owned Businesses Received The Max Amount And White Man-Owned Businesses Received The Least Amount They Could, Black Women Businessowners Still Only Received 1.5% Of What Businesses Owned By White Men Received

Black Women Received Only Up to \$313.7 Million While White Men Received at Least \$21.5 Billion – Meaning Black Woman-Owned Businesses Received Just 1.5% of What White Male Businessowners Received. If Black women received the highest possible amount in each loan range – or up to \$313,700,000 – and white men received the lowest possible amount in each loan range – or as little as \$21,509,950,000 – then Black woman-owned businesses still received just 1.5% of the loan amounts that businesses owned by white men received. [SBA PPP Data, released [7/07/20](#)] See *Chart 1 below*.

CHART 1: PPP BUSINESS RECIPIENTS BY LOAN RANGE AND SELECT DEMOGRAPHICS, AS REPORTED

LOAN RANGE		WOMAN-OWNED			BLACK WOMAN-OWNED		
Range - Low	Range - High	No. of Biz	Range - Low	Range - High	No. of Biz	Range - Low	Range - High
\$150,000	\$350,000	20,157	\$3,023,550,000	\$7,054,950,000	262	\$39,300,000	\$91,700,000
\$350,000	\$1,000,000	8,571	\$2,999,850,000	\$8,571,000,000	123	\$43,050,000	\$123,000,000
\$1,000,000	\$2,000,000	1,877	\$1,877,000,000	\$3,754,000,000	27	\$27,000,000	\$54,000,000
\$2,000,000	\$5,000,000	651	\$1,302,000,000	\$3,255,000,000	7	\$14,000,000	\$35,000,000
\$5,000,000	\$10,000,000	96	\$480,000,000	\$960,000,000	1	\$5,000,000	\$10,000,000
TOTAL		31,352	\$9,682,400,000	\$23,594,950,000	420	\$128,350,000	\$313,700,000

LOAN RANGE		MAN-OWNED			BLACK MAN-OWNED			WHITE MAN-OWNED		
Range - Low	Range - High	No. of Biz	Range - Low	Range - High	No. of Biz	Range - Low	Range - High	No. of Biz	Range - Low	Range - High
\$150,000	\$350,000	93,660	\$14,049,000,000	\$32,781,000,000	620	\$93,000,000	\$217,000,000	34,363	\$5,154,450,000	\$12,027,050,000
\$350,000	\$1,000,000	48,706	\$17,047,100,000	\$48,706,000,000	338	\$118,300,000	\$338,000,000	18,850	\$6,597,500,000	\$18,850,000,000
\$1,000,000	\$2,000,000	11,609	\$11,609,000,000	\$23,218,000,000	104	\$104,000,000	\$208,000,000	4,510	\$4,510,000,000	\$9,020,000,000
\$2,000,000	\$5,000,000	4,811	\$9,622,000,000	\$24,055,000,000	49	\$98,000,000	\$245,000,000	1,794	\$3,588,000,000	\$8,970,000,000
\$5,000,000	\$10,000,000	827	\$4,135,000,000	\$8,270,000,000	3	\$15,000,000	\$30,000,000	332	\$1,660,000,000	\$3,320,000,000
TOTAL		159,613	\$56,462,100,000	\$137,030,000,000	1,114	\$428,300,000	\$1,038,000,000	59,849	\$21,509,950,000	\$52,187,050,000

CHART 2: PPP BUSINESS RECIPIENTS BY GENDER AND RACE, AS REPORTED

	American Indian or Alaska Native	Asian	Black or African American	Hispanic	Puerto Rican	White	Unanswered	Grand Total
Female-Owned	112	1,370	420	1,188		12,651	(15,611)	31,352
Male-Owned	333	4,804	1,114	4,293	1	59,849	(89,219)	159,613
Unanswered	(106)	(965)	(293)	(720)		(6,282)	(461,887)	(470,253)
Grand Total	551	7,139	1,827	6,201	1	78,782	566,717	661,218

Black Businesses Are Traditionally In Industries Hit Especially Hard By The Pandemic

Almost 20% of Black-Owned Businesses with Paid Employees Are in Health Care and Social Services and Another Large Portion of Black-Owned Businesses Are in Retail. “Furthermore, Black-owned businesses earn much of their revenue in sectors that are particularly affected by the recession. Black-owned firms with paid employees generated nearly \$128 billion in receipts in 2017, with the largest share (\$24.5 billion, or 19%) in the health care and social services sector. Health care is the most common industry for Black-owned businesses and the largest employer of their workers, accounting for 39,714 (32%) of Black-owned businesses with paid employees and 446,594 (37%) of their workers. [...] The second-largest sector for Black-owned firms by total receipts is retail (\$16.9 billion), which is also among those hit hardest by the pandemic.” [Brookings, [6/18/20](#)]

Several Studies Have Found That Black Businessowners Were Shut Out Of PPP From The Get-Go

May 2020 Survey Found Just Twelve Percent of Black- and Latino-Owned Businesses Received Federal Aid from Programs Like the PPP During the Coronavirus Crisis. “The survey, conducted by the Global Strategy Group for two equal-rights organizations, Color of Change and UnidosUS, included interviews with 500 business owners and 1,200 workers from April 30 to last Monday. Just 12 percent of the owners who applied for aid from the Small Business Administration — most of them seeking loans in the \$650 billion paycheck program — reported receiving what they had asked for, while 26 percent said they had received only a fraction of what they had requested.” [New York Times, [5/18/20](#)]

- **Half of the Black and Latino Businessowners Surveyed in May 2020 Said They Anticipated Having to Permanently Close Their Businesses by November.** “Nearly half of all owners said they anticipated having to permanently close in the next six months.” [New York Times, [5/18/20](#)]

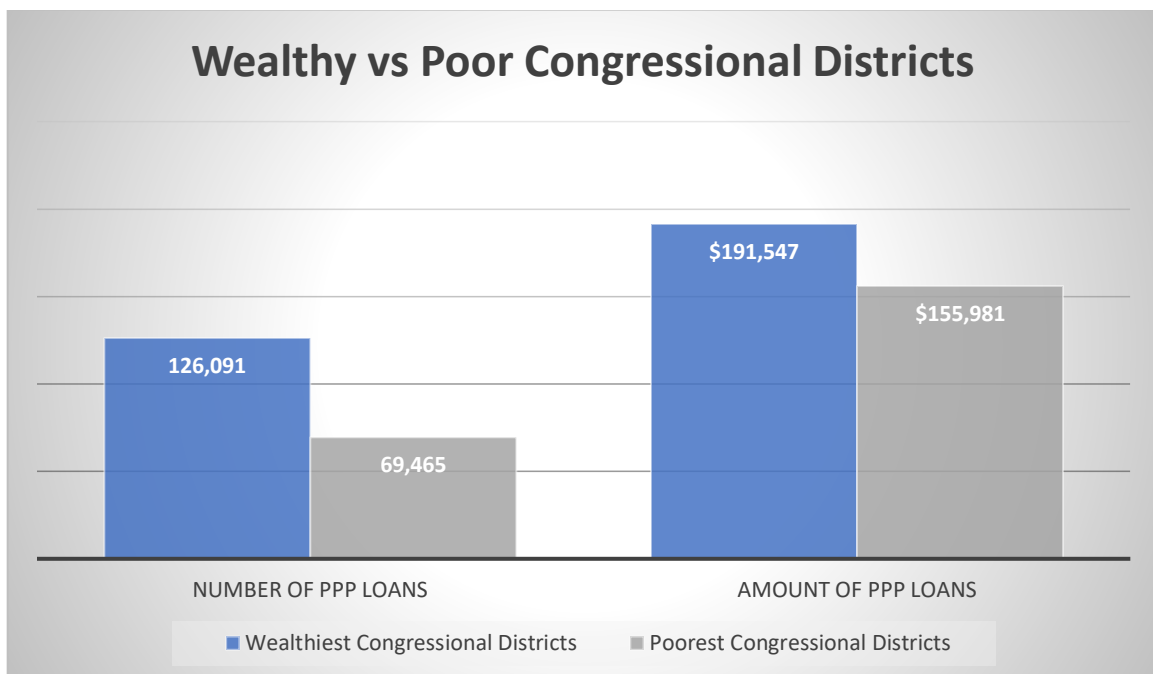
Center for Responsible Lending Study Found 95% of Black-Owned Businesses Would Not Be Able to Receive a PPP Loan Through a Mainstream Bank or Credit Union. “‘Roughly 95% of Black-owned businesses, 91% of Latino-owned businesses, 91% of Native Hawaiian or Pacific Islander-owned businesses, and 75% of Asian-owned businesses stand close to no chance of receiving a PPP loan through a mainstream bank or credit union,’ the center warned on April 6 as the Paycheck Protection Program, or the PPP, was starting to take applications.” [CBS News, [4/22/20](#)]

Under Trump, Small Businesses In Wealthy Congressional Districts Got More PPP Money Than Small Businesses In Poor Congressional Districts

SUMMARY: On April 3, 2020, the Small Business Administration (SBA) [announced the Paycheck Protection Program](#) (PPP), claiming it would “bring immediate economic relief and eight weeks of financial certainty to millions of small businesses and their employees.” What they did not announce were the [massive flaws with the program](#). Among them, the startling trend of its inequitable distribution of loans.

Tracking similarly to a [pattern of discriminatory](#) distribution of PPP funds, in which predominately Black congressional districts got fewer PPP loans, a new analysis from Accountable.US shows the 10 poorest congressional districts received over 56,600 fewer PPP loans than the 10 wealthiest districts, totaling up to \$13.3 billion less (and an average of \$35,566 less per loan). The poorest districts were also disproportionately Black, averaging 41.8-percent Black compared to the wealthiest districts’ average of 6.3-percent Black. And when comparing the wealthiest district (CA-18) with the poorest (NY-15), the wealthiest got 8,763 more loans - a potential difference of up to \$1,373,160,494.

The Poorest Congressional Districts Received Over 56,600 Fewer Loans And Up To \$13.3 Billion Less In Funding Under The Paycheck Protection Program.



The Poorest Congressional Districts Received Over 56,600 Fewer PPP Loans Than The Wealthiest Congressional Districts.

SBA Data Shows The 10 Poorest Congressional Districts Received 56,626 Fewer PPP Loans Than The 10 Wealthiest Congressional Districts. More details can be found in the table below.

PPP DISPARITIES BY # OF LOANS	
10 POOREST CONGRESSIONAL DISTRICTS BY MEDIAN HOUSEHOLD INCOME	
District	# Of PPP Loans
NY-15	3,385
KY-5	4,682
MI-13	4,023
MS-2	14,168
AL-7	3,762
SC-6	4,255
FL-5	1,959
NC-1	13,870
AZ-7	10,869
LA-5	8,492
TOTAL	69,465
10 WEALTHIEST CONGRESSIONAL DISTRICTS BY MEDIAN HOUSEHOLD INCOME	
District	# Of PPP Loans
CA-18	12,148
VA-10	17,756
CA-17	13,085
VA-11	3,616
NY-3	19,845
NJ-11	9,822
VA-8	14,449
CA-15	9,392
CA-14	13,199
NY-4	12,779
TOTAL	126,091
DISPARITY	56,626

[Measure of America, Mapping America, Accessed [8/7/20](#); Accountable.US, COVIDBailoutTracker.com, Accessed [8/7/20](#); United States Census Bureau, My Congressional District, Accessed [8/7/20](#)]

Businesses In The Neediest Congressional Districts Reaped Less Than Half The PPP Funds Of The Wealthiest Congressional Districts.

Wealthy Districts Took Up To More Than \$13.3 Billion More Than The Neediest Districts With The Average PPP Business Taking Up To Over \$35,500 More.

SBA Data Shows The 10 Wealthiest Congressional Districts Took Up To \$13,317,149,308 More In PPP Funds Than The 10 Poorest Congressional Districts And Averaged \$35,566 More Per Loan. More details can be found in the table below.

PPP DISPARITIES BY AMOUNT			
10 POOREST CONGRESSIONAL DISTRICTS BY MEDIAN HOUSEHOLD INCOME			
District	# Of PPP Loans	Maximum PPP Amount	Average PPP Amount
NY-15	3,385	\$704,006,312	\$207,978
KY-5	4,682	\$587,099,520	\$125,609
MI-13	4,023	\$801,709,273	\$199,281
MS-2	14,168	\$1,309,865,202	\$92,452
AL-7	3,762	\$619,814,291	\$164,757
SC-6	4,255	\$687,104,704	\$161,482
FL-5	1,959	\$323,466,113	\$165,118
NC-1	13,870	\$2,198,016,769	\$158,473
AZ-7	10,869	\$2,569,877,611	\$236,441
LA-5	8,492	\$1,033,256,388	\$121,674
TOTAL	69,465	\$10,835,216,183	\$155,981
10 WEALTHIEST CONGRESSIONAL DISTRICTS BY MEDIAN HOUSEHOLD INCOME			
District	# Of PPP Loans	Maximum PPP Amount	Average PPP Amount
CA-18	12,148	\$2,077,166,806	\$170,988
VA-10	17,756	\$3,879,167,532	\$218,471
CA-17	13,085	\$2,902,142,294	\$221,792
VA-11	3,616	\$758,002,051	\$209,624
NY-3	19,845	\$2,901,702,264	\$146,218
NJ-11	9,822	\$2,077,093,787	\$211,474
VA-8	14,449	\$3,004,616,090	\$207,946
CA-15	9,392	\$2,067,943,350	\$220,181
CA-14	13,199	\$2,816,757,839	\$213,407
NY-4	12,779	\$1,667,773,478	\$130,509
TOTAL	126,091	\$24,152,365,491	\$191,547
DISPARITY		\$13,317,149,308	\$35,566

[Measure of America, Mapping America, Accessed [8/7/20](#); Accountable.US, COVIDBailoutTracker.com, Accessed [8/7/20](#)]

The Poorest Districts Also Had A Higher Percentage Of Black Residents, Compared To The Wealthiest Districts.

The Neediest Districts Had An Average Black Population Of 41.8% While The Wealthiest Districts Averaged 6.3% Black.

Census Data Shows The 10 Neediest Congressional Districts Averaged 41.8% Black While The Wealthiest Were 35.5 Percentage Points Lower At 6.3% Black. More details can be found in the table below.

10 POOREST CONGRESSIONAL DISTRICTS BY MEDIAN HOUSEHOLD INCOME	
District	% Black
NY-15	27.6%
KY-5	1.5%
MI-13	55.3%
MS-2	66.3%
AL-7	63.4%
SC-6	57.2%
FL-5	49.0%
NC-1	52.0%
AZ-7	9.6%
LA-5	36.0%
AVERAGE	41.79%
10 WEALTHIEST CONGRESSIONAL DISTRICTS BY MEDIAN HOUSEHOLD INCOME	
District	% Black
CA-18	1.7%
VA-10	6.0%
CA-17	2.4%
VA-11	12.9%
NY-3	0.31%
NJ-11	3.6%
VA-8	13.1%
CA-15	5.9%
CA-14	2.8%
NY-4	14.6%
AVERAGE	6.33%
DISPARITY	35.46-PERCENTAGE POINTS

[Measure of America, Mapping America, Accessed [8/19/20](#)]

CONCERNS CONTINUE:

**Despite Warnings, The Paycheck
Protection Program Is Proving Now
To Be Rife With Fraud – Which The
Administration Failed To Keep
In Check**

SUMMARY: As reporting broke about large, public companies accessing tens of millions of dollars in small business relief, Mnuchin talked a tough game about holding those companies accountable. In April 2020, he pledged to audit all PPP awards greater than \$2 million, saying “We will make sure that what was the intent for taxpayers is fulfilled here,” and threatening to hold noncompliant companies criminally liable.

Meanwhile, Accountable.US identified at least 37 publicly traded companies with PPP loans of \$2 million or greater that are refusing to voluntarily return an aggregate of nearly \$190 million (as of June 24, 2020). Audits for such loans are triggered by submittal of a company’s loan forgiveness application. The latest deadline for such applications is October 31, 2020. Can small businesses—more than 100,000 of which have already permanently closed amid COVID-19—and taxpayers wait that long?

From The Time Of Implementation And As Loans Were Distributed, The Trump Administration Faced Public Criticism Over The Potential For Fraud And Abuse In PPP

Business Owner In Wall Street Journal, April 2020: Once Government Officials Figure Out The Potential For Fraud In The PPP, “They Might Spend Years Tracking Down Fraudulent Uses Of The Funds”

Wall Street Journal Column HEADLINE: “PPP Loan Terms Amount to Legalized Fraud” [Wall Street Journal – Pete Vegas, [4/20/20](#)]

Business Owner For Wall Street Journal: Healthy Companies Could Easily Exploit Aid Meant For Businesses That Had To Shut Down, As The PPP Failed To Differentiate “Operating At Different Capacities.” “I assume the loan was intended to help companies that are currently shut down or severely suffering remain in business and keep their employees on the payroll. But the program doesn’t differentiate between companies that are completely shut down and those operating at 50% or 100% capacity. That means profitable companies like mine, which may weather this storm regardless of the stimulus, have no incentive or obligation to pay back the money. No wording in the application explicitly prohibits such behavior.” The article subheadline reads, “Healthy companies can easily exploit aid meant for those that had to shut down.” [Wall Street Journal - Pete Vegas, [4/20/20](#)]

Business Owner For Wall Street Journal: The PPP Application’s Line Pertaining To COVID-19 Effects Held True For His Business Being Impacted By “Economic Uncertainty” Despite His Company’s Strong Financial Position. “In the PPP application, only one line pertains to the effects of Covid-19. In signing the application, I agreed to the statement: ‘Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.’ We’re incurring additional expenses to protect against a potential shutdown, but for the moment my business is in a strong financial position.” [Wall Street Journal - Pete Vegas, [4/20/20](#)]

Business Owner For Wall Street Journal: Once Government Officials Figure Out The Potential For Fraud In The PPP, “They Might Spend Years Tracking Down Fraudulent Uses Of The Funds.” “This program creates—even encourages—conduct that would normally be considered fraud. Once government officials figure this out, they might spend years tracking down fraudulent uses of the funds (provided the loan agreement’s loose wording doesn’t make fraud impossible to prove).” [Wall Street Journal – Pete Vegas, [4/20/20](#)]

Experts And Congress Criticized The Administration For Leaving Entrepreneurs Without Answers And Lack Of Oversight

As The Paycheck Protection Program Allowed Large Firms To Participate While Leaving Some Entrepreneurs Without Answers, And Was Criticized By Policy Experts For Lack Of Oversight. “While millions of small-business owners were shut out from the Paycheck Protection Program, large firms, including Ruth’s Chris Steak House and Shake Shack, were approved to participate. Meanwhile, many entrepreneurs who applied still haven’t heard from lenders as to whether they’ve been approved. Congress could draw tighter parameters, including prioritizing businesses with the least liquidity, as well as adding oversight of recipients, policy experts said.” [CNBC, [4/21/20](#)]

- **CNBC HEADLINE: “The Paycheck Protection Program Needs Better Oversight On How The Money Is Granted, Critics Say.”** [CNBC, [4/21/20](#)]

As Of Mid-September, The Federal Government Had Announced Charges Against 87 People For PPP Fraud

As Of September 17, 2020, The Department Of Justice And United States District Attorneys Had Announced Charges Against 87 People With PPP Fraud Amounting To At Least \$88 Million. According to Department of Justice press releases as of June 24, 2020, the following cases were brought due to Paycheck Protection Program fraud, amounting to over \$195 million sought and at least \$88 million disbursed in fraud schemes:

ACCUSED	AMOUNT OF FUNDS SOUGHT	AMOUNT RECEIVED	DETAILS	COURT(S)
Darrell Thomas, Andre Lee Gaines, Kahlil Gibran Green Sr., Bern Benoit, Carla Jackson	\$4+ million	\$4+ million	Five people allegedly received millions in PPP loans and used the money to purchase a \$125,000 Land Rover Range Rover, Mercedes-Benz S-Class S65AMG, and expensive jewelry. The group sought \$800,000 loans for each of five companies they fraudulently claimed had more employees and larger payrolls than they actually did.	Northern District of Georgia
Damion O. McKenzie, Andre M. Clark, Keyaira Bostic, Phillip J. Augustin, Wyleia Nashon Williams, James R. Stote, Ross Charno, Deon D. Levy, Abdul-Azeem Levy	\$24+ million	\$17.4+ million	Nine individuals, including a professional football player manager, allegedly sought more than \$24 million in PPP loans in 90 applications and received at least \$17.4 million of that money after submitting fraudulent applications using falsified documents.	Southern District of Florida, Northern District of Ohio
Benjamin Hayford	\$8+ million	N/A	A Wal-Mart senior manager of global technology operations allegedly sought \$8 million in PPP loans after claiming fictitious payroll expenses and paperwork that were actually nonexistent.	Northern District of Oklahoma
Fahad Shah	\$3+ million	\$1.5+ million	A Texas man allegedly claimed an employee-less wedding planning company had over 120 employees in order to obtain \$1.5 million in PPP loans for the \$3 million in applications he submitted. Shah used the funds “primarily for person purposes,” including the purchase of a Tesla, personal investments, and home mortgage payments.	Eastern District of Texas

Shashank Rai	\$10+ million	N/A	A Texas engineer allegedly claimed in his two PPP loan applications worth up to \$13 million to have 250 employees when he had none. Documents recovered from the trash outside of his home included handwritten notes reflecting a \$3 million investment strategy.	Eastern District of Texas
Maurice Fayne (AKA Arkansas Mo)	\$3,725,500	\$2,045,800	A reality TV personality from “Love & Hip Hop: Atlanta” allegedly misrepresented the number of his employees at “Flame Trucking” but still received \$2,045,800 in PPP loans after submitting to United Community Bank applications for \$3,725,000 in PPP loans. He used more than \$1.5 million of the money to purchase \$85,000 in jewelry including a Rolex presidential watch, a diamond bracelet, a 5.73 carat diamond ring for himself, and to pay \$40,000 for child support. Additionally, agents seized \$80,000 in cash, a 2019 Rolls-Royce Wraith, and \$503,000 from three different bank accounts.	Northern District of Georgia
David A. Staveley (aka Kurt D. Sanborn), David Butziger	\$500,000+	N/A	Two Rhode Island individuals allegedly claimed in \$500,000 worth of PPP loan applications to have dozens of employees at four different businesses that weren’t even operating prior to March 2020 or even owned by the individuals.	District of Rhode Island
Baoke Zhang	\$1.5+ million	N/A	A Washington State man allegedly sought over \$1 million in PPP loans that included fictitious payroll expenses associated with fictitious information technology companies that he created just the week and days before applying for the loans.	Western District of Washington
William Sadleir	N/A	\$1.7+ million	A man in California allegedly received over \$1.7 million in PPP loans “to support payroll expenses for three film production and distribution companies” but used the money to pay off personal credit card debt totaling more than \$80,000 and a \$40,000 car loan.	Central District of California
Elijah Majak Buoi	\$13+ million	\$2+ million	A Massachusetts man and president/CEO of an information technology services company named Sosuda Tech LLC allegedly sought \$13 million in PPP loans after misrepresenting employee counts and payroll expenses and falsely certifying the US was the primary residence for his employees. He received \$2 million in PPP funds and the government seized approximately \$1.98 million from his bank accounts.	District of Massachusetts
Dr. Eric R. Shibley	\$3+ million	N/A	A Seattle doctor allegedly fraudulently submitted fake tax documents and names of employees who did not actually work for him for businesses with no actual operations and misrepresented eligibility. He ended up receiving over \$3 million in PPP loans.	Western District of Washington
Jase DePaul Gautreaux (aka Jase Dixon)	\$13+ million	\$1.6+ million	A Houston funeral director applied for \$13 million in PPP loans with a fake identity, fake business and another business that was not his and allegedly still received over \$1.6 million in loans.	Southern District of Texas

Karen Chapon (aka Karen Hannafious)	\$1+ million	nearly \$600,000	A Vegas woman allegedly received over \$600,000 from six fraudulent PPP loan applications that made numerous false and misleading statements about her companies' respective business operations and payroll expenses, and falsely denied that she had been convicted of a felony in the past five years for her company. The company, Heavenly Tahoe Properties, no longer had a valid corporate registration. The woman used at least part of the money to purchase a Mercedes Benz SUV.	District of Nevada
Carlos Belone	N/A	\$22,000	A Florida man received \$22,000 in PPP loans and used the money to further a Medicare fraud scheme he had allegedly perpetuated in which he had been submitting false and fraudulent claims for orthotic braces that were medically unnecessary, ineligible for Medicare reimbursement, and/or not provided.	Southern District of Florida
Andrew Marnell	N/A	\$8.5 million	A California man allegedly used fake federal tax filings and employee payroll records for different companies as well as aliases to obtain \$8.5 million in PPP loans. He then transferred that money to a brokerage account to make "risky stock-market bets" and spent hundreds of thousands of dollars at a Las Vegas casino.	Central District of California
Joshua Thomas Argires	N/A	\$1.1+ million	A man in Texas was arrested for allegedly perpetrating a scheme to file two fraudulent PPP loan applications receiving \$1.1 million for "Texas Barbecue" and "Houston Landscaping," which he claimed had numerous employees that in actuality did not exist. Some of the money was used to invest in cryptocurrency and the rest was "slowly depleted via ATM withdrawals."	Southern District of Texas
Oludamilare Olugbuyi	\$400,000	N/A	A Washington, DC general contractor submitted fake social security numbers and those of others in paperwork in applying for two PPP loans valued at \$400,000. He also submitted contradicting IRS filings that show he may have faked returns in order to qualify for the \$1,200 economic impact payment.	District of Columbia
Mukund Mohan	\$5.5+ million	N/A	A Washington State man submitted at least eight allegedly fraudulent PPP loan applications on behalf of six different companies for \$5.5 million using fake and altered documents, including fake federal tax filings and altered incorporation documents. The man had actually purchased one of the companies that had no employees and no business activity on the internet in May 2020. He then transferred \$231,000 of the PPP funds to his personal brokerage account.	Western District of Washington
Lee Price III	N/A	\$1.6+ million	A man allegedly received more than \$1.6 million in PPP for two different companies after fraudulently claiming numerous employees and significant payroll expenses that did not actually exist. For one company, the CEO on the PPP application had actually passed away before the application was submitted. The man used the money for "lavish personal purchases" including the purchase of a Lamborghini Urus, a 2020 Ford F-350 pickup, a Rolex watch, real estate, and at Houston strip clubs and night clubs.	Southern District of Texas

David T. Hines	\$13.5+ million	\$3.9 million	A Florida man allegedly received about \$3.9 million of the \$13.5 million in PPP loans he sought to purchase a \$318,000 2020 Lamborghini Huracan and at luxury retailers and resorts in Miami Beach.	Southern District of Florida
Rahul Shah	\$400,000	N/A	An Illinois man allegedly significantly overstated his payroll expenses in a \$441,000 PPP loan application by submitting false IRS forms.	Northern District of Illinois
Dennis Nobbe	N/A	\$200,000+ in PPP and EIDL loans	A Florida chiropractor allegedly received \$200,000 in PPP and EIDL funds “to pay personal expenses” after orchestrating an elaborate Medicare fraud scheme using shell companies and sham contracts. The man’s patients were low-income and many did not speak English and his charges for services he did not or only partially rendered left many saddled with debt.	Southern District of Florida
Samuel Yates	\$5+ million	N/A	A 32-year-old Texas man fraudulently sought over \$5 million in PPP loans in two different applications by lying about the number of employees and payroll of expenses for the companies for which he sought loans, claiming he had 400 working for him when he had none. In each of his applications, he had used an online random name generator to create fake employee names.	Eastern District of Texas
Judlex Jean Louis	N/A	N/A	A Florida man allegedly submitted PPP applications that hid his identity as the true loan recipient, used a false social security number, and used a doctored bank statement. On one loan application, the business was entirely fictitious. He did receive funding and surveillance cameras caught him withdrawing cash from the accounts.	Southern District of Florida
Ganell Tubbs	N/A	Almost \$2 million	A woman from Little Rock received over \$2 million in PPP loans after claiming to own two business, The Little Piglet Soap Company LLC and Suga Girl Customs LLC which, according to the Arkansas Secretary of State, were not in good standing and listed the woman’s personal residence and phone number in the business information. She then allegedly used the money to make an \$8,000 payment on her personal student loan and \$6,000 in online purchases at Apple, Michael Kors, Sephora, Northface, Nike, and others.	Eastern District of Arkansas
Hubert Ivan Ugarte, Lisa Bradshaw Rowberry	N/A	\$210,000	A Utah company owner received \$210,000 in PPP loans after not disclosing his criminal history of wire fraud and money laundering. Allegedly, the man had previously bribed employees at the Salt Lake City Hub of FedEx ground to obtain preferential treatment for his trucking companies and in 1988 had had a felony drug possession charge. After receiving the PPP funds, the man paid \$126,965 in past due truck payments and did not apply the majority of the money to payroll.	District of Utah
Ahmad Kanan (Ahmed Kanaan)	\$119,560	N/A	A man in Wisconsin allegedly fraudulently received nearly \$120,000 after claiming he had not been subject to any criminal charges – after having been indicted on charges of access device fraud and attempted access device fraud in October 2019. The man transferred nearly \$50,00 of the funds to his personal checking account.	Western District of Wisconsin

Nadine Consuelo Jackson	\$2.5 million	\$1+ million	A Dayton woman allegedly received over \$1.2 million in PPP and EIDL loans for a private investigation and security services business called Extract LLC, claiming she had 73 employees when really she had few to none. He wired the funds to another account.	Southern District of Ohio
Ameet Goyal	N/A	\$630,000	A New York ophthalmologist who was already under indictment for health care fraud also allegedly fraudulently received \$630,000 in PPP loans in two different loan applications, circumventing the single-loan requirement, after lying about his pending charges.	Southern District of New York
Monica Magdalena Jaworska, Tarik Jaafar	N/A	\$1.4 million	A Virginia woman was charged with fraudulently obtaining over \$1.4 million in PPP loans for four different business entities with falsified payroll tax returns -- \$30,000 of which she withdrew in cash before being arrested in JFK Airport allegedly attempting to flee to Poland with her husband.	Eastern District of Virginia
Geoffrey M. Palermo	\$1.7 million	\$1.7 million	A California auto garage owner – who had previously embezzled funds through multiple schemes from 2013 to 2020 while working as the manager of the San Francisco Hilton – allegedly received approximately \$1.7 million in PPP funds after submitting falsely certified documents attesting to employees’ salaries and payrolls. Rather, the man had failed to pay taxes for almost a year, complicating the collection of unemployment benefits for those he had laid off.	Northern District of California
Joseph Cherry II	N/A	\$190,000	A Norfolk man received over \$190,000 in PPP and EIDL loans that allegedly false claimed misrepresented income and employment records and he then converted the money to cash and cashier’s checks.	Eastern District of Virginia
Muge Ma (AKA Hummer Mars)	\$20,000,000	\$1+ million	A Chinese national who went by the name “Hummer Mars” was arrested for allegedly seeking over \$20 million in fraudulent PPP and EIDL loans by claiming his companies New York International Capital LLC (“NYIC”) and Hurley Human Resources LLC (“Hurley”) – which he described as “patriotic American” and aimed at helping those unemployed during the pandemic and new college grads – had hundreds of employees and paid millions of dollars in wages to those employees, when, in fact, MA appears to have been the only employee of his companies. The man also fraudulently claimed in his application he was obtaining coronavirus tests and PPE for New York State.	Southern District of New York
Michael Leroi Douros	N/A	\$400,000+	A Utah rental company owner who was previously convicted of securities fraud and communications fraud fraudulently allegedly obtained nearly \$400,000 in PPP loans with fake employee counts and payroll. He even listed his son as a straw owner of the business in a second loan application after his first was rescinded. The man then used the money to pay himself \$20,000.	District of Utah

Kenneth Gaughan	N/A	\$2.1+ million	A Washington, D.C. man – who had previously allegedly embezzled over \$472,000 from the Catholic Archdiocese of Washington – received over \$2.1 million in PPP and EIDL loans and used the money in part to purchase a \$300,000 yacht, a \$46,000 Kia Stinger, and a \$1.13 million Northeast Washington DC rowhome. He allegedly forged paperwork and bank records on companies that “register emotional support animals.”	District of Columbia
Sheng-Wen Cheng (aka Junstin Cheng and Justin Jung)	\$7 million	\$2.8 million	A Taiwanese national living in New York received about \$2.8 million of the \$3.7 million in PPP loans he was approved for that listed a payroll of 90 employee names that included current and former athletes, artists, actors, public figures, a Good Morning America anchor, and “a prominent Penn State football coach who is now deceased.” He allegedly used a portion of the money to send \$881,000 to bank accounts in Taiwan, the UK, South Korea, and Singapore. He also withdrew about \$360,000 in cash and cashier’s checks and used the funds to buy approximately \$279,000 on a \$40,000 18-carat gold Rolex watch, \$50,000 in furnishings, an \$80,000 Mercedes, \$40,000 in rent and move-in fees for his \$17,000/month condo, and \$37,000 at Louis Vuitton, Chanel, Burberry, Gucci, Christian Louboutin, and Yves Saint Laurent.	Southern District of New York
Arman Manukyan	\$1.7 million	\$867,187	A California man successfully fled the United States after allegedly obtaining more than \$860,000 in fraudulent PPP loans for two shell companies registered in his name – Argo Global, Inc., a supposed sewing business, and Express Wiring. Federal agents seized multiple debit cards used for unemployment benefits in other peoples’ names. In early August, he boarded a flight from Mexico City inbound to Paris with a final destination of Minsk, Belarus.	Central District of California
Ibanga Etuk, Olusola Ojo	\$1,152,000	N/A	Two Tulsa men allegedly received PPP money from the more than \$1.1 million in six different loans they sought in applications that fraudulently depicted them as having no other business or management interest in other companies.	Northern District of Oklahoma
Kyle Brenizer	\$841,000	\$841,000	A 32-year-old man from Minnesota received \$841,000 in PPP loans for his contracting and construction company, True-cut Construction LLC. However, in December 2019, the Minnesota Department of Labor and Industry had ordered the business to cease and desist after its license expired. After first being denied a loan, the man allegedly resubmitted fraudulent documentation under another individual’s name along with falsified payroll expenses, employee counts, bank statements, and IRS documents. He also falsely claimed he was not subject to any pending criminal charges even though he had been named in check forgery, identity theft, and theft by swindle cases. Upon receiving the funds, the man transferred \$650,000 to a bank account to purchase a \$29,000 Harley-Davidson motorcycle and spent over \$1,000 on golf expenses and other retail and entertainment purchases.	District of Minnesota

Brandon Casutt	N/A	\$500,000	A Henderson, NV man allegedly received more than \$500,000 from the PPP and EIDL programs and laundered the money through friends and family in order to buy a house. He fraudulently applied for the funds using unsubstantiated employee counts, payroll expenses, and revenue numbers in the name of a business called Sky DeSign and Skyler's C.F. Foundation, which supposedly raised awareness about cystic fibrosis. After receiving the money he wrote 23 different people \$8,330 checks and eventually purchased a home he and his family moved into at the end of June 2020.	District of Nevada
Latoya Stanley, Johnny Philus	\$1.1 million	\$1+ million	Two Florida neighbors allegedly conspired in PPP applications worth over \$1.1 million that their backyards were farms that employed almost 50 individuals at businesses called Elegance Auto Boutique and Dream Gurl Beauty Supply. Neither the employees nor the farms existed but the two did end up receiving the money.	Southern District of Florida
Stanley Dorceus	\$300,000	\$300,000	A business owner in Georgia sought and received over \$300,000 in PPP loans for a company that had no employees or payroll. The man then used the money to write checks to his friends and himself.	Northern District of Georgia
David Christopher Redfern	N/A	\$414,000	Through a company called Wilder Effects LLC, a North Carolina man allegedly fraudulently obtained \$414,000 in PPP and EIDL loans after falsifying documents to alter quarterly tax filings. He then withdrew the cash and transferred it to his bank account.	Middle District of North Carolina
Michael George McQuam	N/A	\$2+ million	An Austin man allegedly obtained more than \$2 million in PPP loans after submitting applications for two false companies he created – Vantastic Voyages LLC and Happy Days Movers LLC. He then sued the money to purchase a 26' Pavati Wake Boat and a Rolls Royce.	Western District of Texas
Antonio George	N/A	\$3.1+ million	A Michigan man attempted to obtain \$3.1 million in PPP loans through applications for 19 different companies that allegedly included fraudulent business operations and payroll expenses information – including for a company that had not been in operation since 2015.	Eastern District of Michigan
Brandon Lewis	N/A	N/A	A North Carolina man pled guilty to three COVID-19 fraud schemes , including purchasing 35 “aged, off-the-shelf” corporations and submitting 68 fraudulent EIDL loan applications that each qualified for up to \$10,000 non-refundable grant advances.	Middle District of North Carolina
Melissa Turasky	N/A	\$175,000	A suburban Chicago restaurant owner allegedly obtained over \$175,000 in PPP loans after the business had closed down just months before, been evicted from its commercial real estate space, and let all of its employees go. The woman fraudulently submitted paperwork that falsely reflected continuing monthly payroll and business expenses.	Northern District of Illinois
Jean Fleuridor, Hasan Brown	\$3+ million	\$3+ million	Years earlier, two Florida men had created bank accounts and shell companies from approximately 700 fake identities in order to defraud a San Antonio bank. The men then used the fake identities to receive over \$3 million in PPP loans.	Southern District of Florida

Nikole L. Edwards	N/A	\$19,583	A California woman admitted to submitting fake tax and payroll records – including fake addresses, social security numbers, and W-2s of supposed employees – for her company, Social Savvy Marketing, and received nearly \$20,000 after applying at three different financial institutions.	Southern District of California
Casey David Crowther	\$2+ million	\$2+ million	A Florida man allegedly obtained over \$2 million in PPP loans for his company, Target Roofing & Sheet Metal, after using the money to purchase a 2020 40-foot catamaran boat for approximately \$689,417.	Middle District of Florida
Jimpcy One, Gousman Lemy, Frantz Guillaume, Jr. (AKA Sandro Saintfloeur)	\$2 million	\$2 million	One Florida man along with two Massachusetts men used new and previously established shell companies and hacked business emails from a prior money laundering scheme to receive nearly \$2 million in PPP and EIDL loans.	Southern District of Florida
Jae H. Choi	\$9 million	\$9 million	A New Jersey attorney allegedly received over \$9 million from three fraudulent PPP loan applications on behalf of three different businesses that purportedly provided educational services. He submitted fake names, bank and tax records, and a fake driver's license to the banks and used the money to pay for numerous personal expenses, purchase a nearly \$1 million home in Cresskill, New Jersey, fund approximately \$30,000 in remodeling and other improvements, and to invest millions in the stock market through an account in his spouse's name.	District of New Jersey
Lauren Marcel Duhart, Joshua Bernard Smith, Steve Ronald Lewis, 43, Christopher J. Agard, Henry Duffield, Jeremy Brandon Latourneau, Derick Kean	\$395,000	\$390,000	Seven individuals in South Carolina sought and received over \$390,000 in PPP loans by exaggerating the number of employees and payroll expenses at one of their businesses. They then laundered the money through various means, including through a casino, and distributed the laundered money to all individuals in the conspiracy.	District Of South Carolina
Larry Jordan, Sutuhk El	\$7 Million	\$600,000	Two New York brothers attempted to defraud the PPP program for \$7 Million. The brothers falsified IRS documents greatly exaggerating their companies' payroll expenses. The brother received \$600,000 and spent it on the purchase of a home, a vehicle, home improvements, and securities.	Western District Of New York
Joshua J. Bellamy	\$24 Million	\$1,246,565	An NFL player participated in a scheme to obtain \$24 Million in fraudulent PPP loans. The player received over nearly \$1.25 million in PPP funding which he spent over \$104,000 on luxury goods including Dior, Gucci, and jewelry. He spent \$62,774 of his fraudulently obtained PPP funding at a casino and withdrew over \$302,000. The player also sought other fraudulent loans on behalf of friends, family members.	Southern District of Florida

Darrell Baker	\$590,000	\$590,000	A Detroit man plead guilty of creating a false business and receiving \$590,000 in fraudulent PPP loans. The man created a fake business, Motorcity Solar Energy, alleging 68 employees and a payroll of \$2.8 Million; the business was non-operational and the payroll and employees were nonexistent. The man spent his obtained PPP loans on two Cadillac Escalades, a Dodge Charger, and a Hummer.	Eastern District of Michigan
Lola Shalewa Barbara Kasali	\$1.9 million	\$1.9 million	A Texas woman exaggerated her company's payroll expenses and number of employees and received over \$1.9 Million in fraudulent PPP loans.	Southern District Of Texas

Treasury Secretary Mnuchin Responded To Outcry By Calling For Audits And Investigations Of Large Companies, But Subsequently Walked That Back

April 2020: SBA Committed To Reviewing PPP Awards Greater Than \$2 Million (And "Other Loans As Appropriate").

Following Reports Of Large, Publicly Traded Companies Receiving PPP Loans, SBA Announced It Would Review Loans Greater Than \$2 Million.

April 28, 2020: SBA Announced It And The Treasury Department Would "Review All Loans In Excess Of \$2 Million." "To further ensure PPP loans are limited to eligible borrowers, the SBA has decided, in consultation with the Department of the Treasury, that it will review all loans in excess of \$2 million, in addition to other loans as appropriate, following the lender's submission of the borrower's loan forgiveness application. Regulatory guidance implementing this procedure will be forthcoming." [Small Business Administration, Press Release, [4/28/20](#)]

- **SBA Also Committed To Review "Other Loans As Appropriate."** "To further ensure PPP loans are limited to eligible borrowers, the SBA has decided, in consultation with the Department of the Treasury, that it will review all loans in excess of \$2 million, in addition to other loans as appropriate, following the lender's submission of the borrower's loan forgiveness application. Regulatory guidance implementing this procedure will be forthcoming." [Small Business Administration, Press Release, [4/28/20](#)]
- **Review Would Be "Following The Lender's Submission Of The Borrower's Loan Forgiveness Application."** "SBA has decided, in consultation with the Department of the Treasury, that it will review all loans in excess of \$2 million, in addition to other loans as appropriate, following the lender's submission of the borrower's loan forgiveness application." [Small Business Administration, Press Release, [4/28/20](#)]
- **"We Remain Fully Committed To Ensuring That America's Workers And Small Businesses Get The Resources They Need To Get Through This Challenging Time."** [Small Business Administration, Press Release, [4/28/20](#)]

Mnuchin Promised To Hold Companies Accountable If They Took PPP Aid Without Meeting Program Criteria.

Mnuchin Threatened To Hold Companies "Criminally Liable If They Did Not Meet The Program's Revised Criteria." "Threatening to hold big companies criminally liable if they did not meet the program's revised criteria for accepting loans, he said the administration would audit any company that received more than \$2 million." [New York Times, [4/28/20](#)]

- **Mnuchin: “It’s The Borrowers Who Have Criminal Liability If They Made This Certification And It’s Not True.”** [New York Times, [4/28/20](#)]
- **Mnuchin: “This Was A Program Designed For Small Business. It Was Not A Program That Was Designed For Public Companies That Had Liquidity.”** [CNBC, [4/28/20](#)]
- **Mnuchin On LA Lakers Loan: “I Think That’s Outrageous.”** [CNBC, [4/28/20](#)]
- **Mnuchin: “We Will Make Sure That What Was The Intent For Taxpayers Is Fulfilled Here.”** [Business Insider, [4/28/20](#)]
- **Mnuchin: “It Was Inappropriate For Most Of These Companies To Take The Loans. [...] We Don’t Think That They Ever Should Have Been Allowed To.”** [Axios, [4/28/20](#)]

Mnuchin Threatened To Hold Companies “Criminally Liable If They Did Not Meet The Program’s Revised Criteria.” “Threatening to hold big companies criminally liable if they did not meet the program’s revised criteria for accepting loans, he said the administration would audit any company that received more than \$2 million.” [New York Times, [4/28/20](#)]

- **Mnuchin: “It’s The Borrowers Who Have Criminal Liability If They Made This Certification And It’s Not True.”** [New York Times, [4/28/20](#)]

Department Of Justice: “Every Dollar Stolen From The Paycheck Protection Program Comes At The Expense Of Employees And Small Business Owners.”

May 5, 2020, Assistant Attorney General Brian Benczkowski: “Every Dollar Stolen From The Paycheck Protection Program Comes At The Expense Of Employees And Small Business Owners Who Are Working Hard To Make It Through These Difficult Times.” [Department of Justice, Press Release, [5/5/20](#)]

APPENDICES

Appendix A: PPP State Reports - Focusing On Loans And Closures In Particular States

TEXAS: Large TX-Based Companies Secured Over \$42M Of Federal Aid Intended To Help Local, Small Business

SUMMARY: On April 3, 2020, the Small Business Administration (SBA) [announced the Paycheck Protection Program](#) (PPP), claiming it would “bring immediate economic relief and eight weeks of financial certainty to millions of small businesses and their employees.” ([Small businesses being defined as companies with fewer than 500 employees.](#))

In Texas though, many of the companies getting PPP funds were not struggling small businesses – but large, publicly-traded companies that have taken millions each in funding. This included a [company currently under SEC investigation](#) (that was financially stable enough to pay company executives \$12.9 million); a company [that said they used the funds to cancel planned salary reductions for employees](#), including its six-figure CEO and CFO; a [real estate investment trust that made \\$24 million last year](#); a political mobile app and data firm [employed by the Trump campaign](#); a [precious metal and natural resource investment firm](#); and a petrochemical products company which had [significant Saudi Arabian operations](#). Despite [Treasury guidance that public companies would have difficulty justifying loans over \\$2 million](#), none of these entities have indicated plans to return their millions.

As these large, publicly-traded companies got access to funds, business owners and restaurants across Texas have faced hardship, and in some cases, permanent closure. A study of Houston small businessowners underlines that point: over 90-percent of Houston small businesses [were shown to have lost significant revenue](#), and [40-percent of Houston small businesses said operations were only expected to survive for four weeks or less](#).

COVID-19 has also resulted in the closure of several Texas restaurant landmarks. “[Dallas mainstay](#)” [Highland Park Cafeteria](#) had no choice but to close their doors following business slowdowns from COVID 19; “[iconic](#)” [Threadgill’s in Austin](#), a restaurant and concert venue, was forced to close after 40 years of operations, with the owner calling the pandemic a “kick in the gut;” the [beloved Magnolia Café in Austin](#) chose to close down following the “huge hit” and “incredible uncertainty” created by COVID 19. In San Antonio, both the [42-year old Spaghetti Warehouse](#) and [brand-new Tea Crate](#) were forced to close in the wake of COVID 19.

With Texas businesses struggling and closing, can \$42 million going to large, public companies be considered a success? Texans have been critical: a [Dallas small business owner, facing a 75-percent loss of income](#), criticized the program when she was cut out of the first round of funding despite an early application. A [frozen yogurt stand owner was more direct about large companies taking the funds](#), simply summing up: “things tend to work by being in the right place at the right time or who you know and how you’re connected.”

Large Texas Corporations – Including Very Profitable Entities, Companies With Over 500 Employees, And A Company Under SEC Investigation – Received Over \$42 Million In Aid Meant For Small Businesses

COMPANY & HQ	PPP Loan Info	EMPLOYEES	NATURE OF BUSINESS	EXEC. COMPENSATION	NOTES
SAExploration Holdings, Inc. HQ: Houston, TX.	\$6.8 million on 5/8/20	981 Above “small business” classification of 500 employees.	Holding company; providing seismic data services to major oil and gas companies.	\$12,916,676	Currently under SEC investigation over previous executive.
Whitestone REIT HQ: Houston, TX.	\$1.7 million on 4/30/20.	108	Real estate investment trust, invested in retail centers and plazas. \$24 million in net income for 2019.	\$6,217,913	CEO alone took home \$2.6 million in compensation last year; automobiles provided for executives.
Phunware Inc. HQ: Austin, TX.	\$2.8 million on 4/9/20.	93	Mobile app, location tracking, and advertising software company.	\$1,483,878	Did data work for the Trump campaign.
Asure Software HQ: Austin, TX.	\$8.8 million on 4/15/20.	423	Payroll and HR services for small businesses.	\$3,585,551	Over \$30 million in net income for 2019.
RigNet, Inc. HQ: Houston, TX.	\$6.7 million on 5/1/20.	625 Above “small business” classification of 500 employees.	Communication services.	\$4,246,225	
Trecora Resources HQ: Sugar Land, TX.	\$6.1 million on 5/6/20.	270	Manufacture specialty petrochemical products and waxes.	\$5,184,101	Significant operations in Saudi Arabia; some SEC filings done in Saudi currency (riyal).
RumbleOn, Inc. HQ: Irving, TX.	\$5.1 million on 5/1/20.	288	Technology services, provides a platform for e-commerce.	\$780,000	In a subsequent SEC filing, RumbleOn said plans for salary reductions for employees, including its six-figure CEO

					and CFO, were being cancelled in light of the PPP loans.
Harte Hanks, Inc. HQ: Austin, TX.	\$10 million (maximum amount) on 4/14/20.	2,430 Above “small business” classification of 500 employees.	Marketing services firm, specializing in multi-channel marketing.	\$1,934,150	
US Global Investors, Inc. HQ: San Antonio, TX.	\$442,000 on 4/12/20.	24	“U.S. Global Investors, Inc. (Nasdaq: GROW) is a boutique investment management firm specializing in actively managed equity and bond strategies, and has a longstanding history of expertise in gold and precious metals, natural resources and emerging markets.”	\$669,000	

In The Aftermath Of The COVID 19 Pandemic, Texan Small Business Owners Faced Losses Of Revenue, And City Institutions Faced Closure

After An Initial Temporary Closure Due To COVID 19, A “Dallas Mainstay,” Highland Park Cafeteria, Announced It Would Not Be Re-Opening Its Doors. “A Dallas mainstay for almost 100 years is not going to reopen. The Highland Park Cafeteria in Northeast Dallas temporarily closed on March 16 due to the mandatory shutdown because of the COVID-19 pandemic. The restaurant owners shared the news of the decision to close permanently on Facebook Monday evening: We are saddened to let our loyal customers and community know that the Highland Park Cafeteria will not be re-opening.” [CBS DFW, [5/11/20](#)]

After 40 Years, “Iconic” Austin Restaurant Threadgill’s Closed For Good In The Wake Of COVID 19. “The flame of old Austin flickered dimmer Monday. Restaurateur, raconteur and cultural torchbearer Eddie Wilson has decided to close the original Threadgill’s after almost 40 years, the restaurant announced. [...] ‘This whole pandemic has been like a kick in the gut that bent me over,’ Wilson told the Statesman by phone Monday. ‘I’ve been in a lot of roll-around and tumbling brawls, but I’ve never been this old. It just seems like it’s time for everybody to find a way to take care of themselves.’” [Austin Statesman, [4/20/20](#)]

Austin’s Magnolia Café Closed Down Permanently In The Face Of “Such A Huge Hit” From COVID 19 And The “Incredible Uncertainty Of The Future.” “Two longtime Austin restaurants won’t be reopening their doors after COVID-19. Magnolia Cafe on Lake Austin Boulevard and North By Northwest restaurant and brewery on Capital of Texas highway are closed for good. ‘That place was just joy,’ says Austin native Liz Farmer. For her, Magnolia Café’s west Austin location brings back memories of growing up, gaining independence and building lasting friendships. [...] In a Facebook post Magnolia announced their Lake Austin

closure after 41 years saying, 'In the face of such a huge hit with the reality of COVID-19 and the incredible uncertainty of the future, we've had to confront the fact that this location will not survive.'" [CBS Austin, [4/17/20](#)]

San Antonio's Spaghetti Warehouse, A Notable Chain Location That Had Been Open Since 1978, Closed Its Operations Permanently. "A national restaurant chain has closed its San Antonio location, marking the end of its presence in Texas since the 1970s. Spaghetti Warehouse closed its restaurant east of downtown at 1226 E. Houston St. and has posted its equipment and fixtures to an online auction. [...] 'Based on the current Covid-19 crisis, Spaghetti Warehouse San Antonio has closed,' the company told the Business Journal in a statement." [San Antonio Business Journals, [4/22/20](#)]

San Antonio's Tea Crate, A New Operation, Was Forced To Closed – With The Owner Saying The Business Would Have Been A Success Had COVID Not Entered Our Lives. "The list also includes brand-new operations like the Tea Crate on the Far North Side. Owner Ann Hatch said goodbye on Facebook: 'It would have been a success if this COVID stuff didn't come into all our lives. But it did and with the rent as high as it is, I have no choice.'" [San Antonio Express News, [5/14/20](#)]

Small Business Owners In Texas Criticized PPP's Implementation And Large Companies Receiving Funding

Local Business Commentary:

- **A Dallas Small Business Owner Missed The First Round Of Funding For Coronavirus When Funding Ran Out, Following A Loss Of 75-Percent Of Her Income.** "Jennifer McMahon spent a decade growing her small business in North Texas, and now its future could rest entirely on her ability to secure a loan under the government's overwhelmed Paycheck Protection Program. McMahon, owner and CEO of Diet Solution Centers and its three Dallas-Fort Worth locations, said her company lost roughly 75% of its income when shelter-in-place-orders designed to slow the spread of coronavirus took effect. [...] On Thursday, she learned that the lending program to keep small businesses afloat through the pandemic had hit its \$349 billion cap. A short time later, Regions Bank notified her that she had missed out." [Dallas Morning News, [4/16/20](#)]
- **A Frozen Yogurt Store And Business Owner, Awaiting His Own PPP Aid, Responded To Small Business Aid Going To Large Corporations: "I Can't Say I Am Angry Because, Truthfully, I Almost Expected It."** "Thanks to the way Congress structured a massive economic aid bill for the new coronavirus pandemic, a chain restaurant like Taco Cabana qualifies as a small business and competes with the family-owned dry cleaner for the same loans earmarked for small companies. [...] 'I can't say I am angry because, truthfully, I almost expected it,' said Haywood Prejean, a Cedar Hill business owner who has three companies. He submitted several applications for federal aid created by the Coronavirus Aid, Relief and Economic Security Act to support his frozen yogurt store, his corporate vending business and the workspace he leases to hairstylists." [Texas Tribune, [4/23/20](#)]
 - **Frozen Yogurt Store Owner: "I'm 63 Years Old, And I've Seen A Lot [Of] Politics And Things Tend To Work By Being In The Right Place At The Right Time Or Who You Know And How You're Connected."** "'I can't say I am angry because, truthfully, I almost expected it,' said Haywood Prejean, a Cedar Hill business owner who has three companies. [...] 'I'm 63 years old, and I've seen a lot and politics and things tend to work by being in the right place at the right time or who you know and how you're connected,' he added." [Texas Tribune, [4/23/20](#)]

Local Headlines:

- **Texas Tribune HEADLINE: "As Congress Rushed Coronavirus Aid To Texas Business Owners, Some Small Companies Fell Through The Cracks"** [Texas Tribune, [4/23/20](#)]

- **Dallas Morning News HEADLINE: “Small-Business Rescue Program Runs Dry, Leaving Some North Texas Businesses In Dire Straits”** [Dallas Morning News, [4/16/20](#)]

A Houston Study Showed Small Texas Businesses Had Lost Large Amounts Of Revenue And Were Forced To Lay Off Workers

Over 90-Percent Of Great Houston’s Small Businesses Lost Revenue Amid The COVID-19 Pandemic.

“Houston’s small and medium-sized businesses are feeling the impact from the coronavirus outbreak. A survey by the Greater Houston Partnership shows 91% of GHP member businesses with 500 or fewer employees have lost revenue.” [Houston Public Media, [3/31/20](#)]

One-Third Of Houston Small Businesses Were Forced To Lay Off Workers, And Four In Ten Said Their Operations Could Only Survive For Four Weeks Or Less. “Houston’s small and medium-sized businesses are feeling the impact from the coronavirus outbreak. A survey by the Greater Houston Partnership shows 91% of GHP member businesses with 500 or fewer employees have lost revenue. More than one-third have laid off workers and about half said they are not paying employees during the shutdown. Four in 10 businesses said they can survive the slowdown for only four weeks or less.” [Houston Public Media, [3/31/20](#)]

MICHIGAN: Large MI-Based Companies Secured \$19M+ Of Federal Aid Intended To Help Local, Small Business

SUMMARY: On April 3, 2020, the Small Business Administration (SBA) [announced the Paycheck Protection Program](#) (PPP), claiming it would “bring immediate economic relief and eight weeks of financial certainty to millions of small businesses and their employees.” ([Small businesses being defined as companies with fewer than 500 employees.](#))

SEC filings, some as recent as May 19th, show a different story in Michigan, where large, publicly-traded companies that have taken millions each in funding. On the list: A wealthy 3,600-employee towing and cargo management company – where [88-percent of the workforce is outside the United States](#); a holdings company in Birmingham that received over \$1.4 million; a robotics company that received over \$829,000, despite annual profits of [\\$3.7 million](#); a [component manufacturing firm](#) that received funding despite its employee count being nearly double the standard of 500 to be classified as a small business. As well as a nanotechnology company that received \$130,000 despite recently being suspected by the SEC for trying to capitalize on the COVID crisis. Even though [Treasury guidance that public companies would have difficulty justifying loans over \\$2 million](#), none of these entities have indicated plans to return their millions.

With Michigan businesses struggling and closing, can nearly \$20 million going to large, public companies be considered a success? Michigan business owners have expressed skepticism: one southeast Michigan pub owner criticized the program after [receiving no response in the first round of funding](#) before the funds ran out; a Detroit bookseller said, from her conversations, the only people who received PPP funds were those with a personal relationship with their bank. A Birmingham chiropractor, discussing patients he knew who had closed their businesses, noted the contrast of how “[the airlines got billions](#).” The southeast pub owner summed the view: “I don’t think that the process with awarding the loans was very equitable and inclusionary.”

This skepticism is well-grounded: a [dean of public policy at the University of Michigan](#) discussed failures in the rollout of the program, noting in particular that African American communities, such as Detroit, were disproportionately left out of funding. In fact, via a UoM program to meet with small business owners, [not a single business with under five employees in Detroit received federal assistance](#) through the first round of funding.

Some Michigan businesses have already made the difficult decision not to reopen their doors: in Grand Rapids, Bravo Cucina Italiana [announced their permanent closure in March](#); a brewery in northern Michigan, Big Cat Brewing Company, [was forced to permanent closure](#) after fourteen years of operation.

Large Michigan Corporations – Including A Company Suspended From Trading By The SEC, And One With \$10 Million In Executive Compensation – Received Over \$19 Million In Aid Meant For Small Businesses

COMPANY & HQ	PPP Loan Info	EMPLOYEES	NATURE OF BUSINESS	EXEC. COMPENSATION	NOTES
Horizon Global Corporation HQ: Plymouth, MI.	\$8.7 million on 4/21/20.	3,600 Above “small business” classification of 500 employees.	Custom-engineered towing and cargo management manufacturer and distributor.	\$10,465,811	Only 12-percent of workforce is located in US. Company has spent \$9.9 million on stock buybacks since 2017 , criticized as a way to enrich executives without benefit to the company.
Conifer Holdings Inc. HQ: Birmingham, MI.	\$2.7 million on 4/24/20.	147	Holdings company with eight subsidiaries focused on specialty insurance products.	\$1,427,358	
Perceptron Inc. HQ: Plymouth, MI.	\$2.5 million on 4/16/20.	327	3D vision for robot guidance and automated metrology.	\$829,646	Over \$3.7 million in net income for last reported year (2018).
Nano Magic Inc. HQ: Bloomfield Hills, MI.	\$130,000 on 5/8/20.	12	Nanotechnology research and product development.	\$468,216	5/2/20: SEC suspended company from stock listings following claim their disinfectant “kills” COVID 19.
Unique Fabricating Inc. HQ: Auburn Hills, MI.	\$5.9 million on 4/24/20.	988 Above “small business” classification of 500 employees.	Appliance, industrial HVAC, commercial water heating, and other components.	\$883,749	

Small Business Owners In Michigan Criticized PPP Accessibility, And Contrasted The Difficulties Of Small Business Owners To The Airline Bailouts

Examples Of Local Small Business Closures:

- **After Four Years Of Operation, Grand Rapids' Bravo Cucina Italiana Closed Its Doors Permanently Following The COVID 19 Pandemic.** "After four years in business, the Bravo Cucina Italiana at Knapp's Corner has closed its doors for good. The closure happened sometime after March 18. On March 20, the location was no longer listed on the Italian restaurant chain's website and no one was answering the phone. When News 8 visited the restaurant Wednesday, the lights were off and there was a note posted on the door addressed to guests. 'We have made the difficult decision to close this restaurant. Thank you for giving us the opportunity to serve you through the years,' it stated." [Wood TV, [3/26/20](#)]
- **A Northern Michigan Brewery, Big Cat Brewing Company, Said COVID 19 Had Made Their Business Unsustainable, And Announced Permanent Closure After 14 Years.** "After 14 years in business a northern Michigan brewery is closing its doors due to the COVID-19 shutdown. Big Cat Brewing Company in Cedar announced they will not be re-opening when the stay at home order is lifted. We're told operations are no longer sustainable without the guarantee of being able to open at full capacity this summer." [UpNorthLive, [5/13/20](#)]

Local Business Commentary:

- **During The First Round Of Paycheck Protection Program Funding, A Southeast Michigan Pub Owner Applied And Received No Response To Applications Before Funds Ran Out.** "Down to just carryout food service, McShane's Irish Pub laid off most of its 67 employees at three southeast Michigan locations after the coronavirus pandemic hit. To help his business survive, co-owner Bob Roberts applied for the Paycheck Protection Program, the high-profile federal program of low-interest loans for small and mid-size businesses that convert into grants if at least 75% of the money is spent to maintain pre-pandemic payroll. Roberts submitted applications to each of the locations' banks between April 6 and April 8. Yet by the time the program's initial \$349 billion pool of money ran dry April 16, he hadn't received any loans and was still waiting." [Detroit Free Press, [4/24/20](#)]
- **Southeast Michigan Pub Owner And President Of Detroit's Corktown Business Association: "I Don't Think That The Process With Awarding The Loans Was Very Equitable And Inclusionary."** "I don't think that the process with awarding the loans was very equitable and inclusionary," Roberts said. 'It was a race to see who got (applications) in first, and more importantly, whether or not your bank had their processes and procedures down to be able to process your application.'" [Detroit Free Press, [4/24/20](#)]
- **A Detroit Bookseller, Who Failed To Receive A Federal Loan, Said Her Experience Matched Fellow Booksellers, And That The Only Successful Applications Applicants Had A Personal Connection To Their Bank.** "Janet Jones, owner of the bookstore Source Booksellers, 4240 Cass in Detroit, also applied for a paycheck protection loan, but has yet to receive it. She is thankful for a \$2,500 emergency grant she received from TechTown Detroit's Small Business Stabilization Fund, which helped her make store bill payments. Jones said she knows that her paycheck protection experience wasn't unique. 'We've had a lot of contact with virtual meetings with our fellow booksellers across the country,' Jones said. 'The only ones who seem to have gotten through is someone who had a connection with a bank on a personal level.'" [Detroit Free Press, [4/24/20](#)]
- **A Birmingham Chiropractor Failed To Receive Federal Funding In The First Round Of PPP, And Said He Had Heard Of Many Other Businesses Who Failed To Get Relief As "The Airlines Got Billions."** "Be Well LifeStyle Centers, 750 S Old Woodward Ave. in downtown Birmingham, has had to close most of its building, aside for its cafe and chiropractic service. [...] Owner Silvio Cozzetto said his patients have been a mix of his regulars as well as new clients whose chiropractors are closed. [...] He hopes his \$150,000 request will come through in Round 2. He said he knows of other small businesses that were shut out of Round 1 but can no longer wait. 'I have patients who are in their 60s and have started

their business — and they're done,' Cozzetto said. 'And they didn't need that much money. They needed 5, 10, \$15,000, and they didn't get it. And the airlines got billions.'" [Detroit Free Press, [4/24/20](#)]

Local Headlines:

- **Oakland Press HEADLINE: "‘I Feel Like I'm In The Twilight Zone': Michigan Restaurant Owners Face Uncertain Future"** [The Oakland Press, [5/12/20](#)]
- **Wall Street Journal HEADLINE: "Why Coronavirus Hit Michigan's Economy Harder, Longer"** [Wall Street Journal, [4/30/20](#)]

University Of Michigan, Crain's Detroit Business, And The MI Restaurant And Lodging Association Found Fault With PPP Funding That Went To Michigan Companies.

Crain's Detroit Business: PPP Failed To Reach The Most Vulnerable Small Business Owners, And Disproportionately Left Out Businesses In African American Cities Like Detroit. "The Paycheck Protection Program, or 'PPP,' the federal government's push to help small businesses, ran out of money last week. Worse, the program failed to help our country's most vulnerable small business owners and disproportionately left out small businesses in predominantly African American cities like Detroit." [Crain's Detroit Business – Michael Barr, [4/22/20](#)]

A University Of Michigan Program That Worked With Small Business Owners Failed To Find A Single One-To-Five-Employee Small Business In Detroit That Received Federal Assistance. "The University of Michigan's Detroit Neighborhood Entrepreneurs Project worked closely with many small business owners who failed to receive loans despite experiencing losses because of the shutdown and despite meeting all eligibility criteria for PPP funding. Worse yet, they weren't rejected: They didn't even get the chance to apply. [...] In our work, we have yet to identify a single Detroit small business with between zero to five employees that was helped through the program. These businesses are often the lifeblood of their local community." [Crain's Detroit Business – Michael Barr, [4/22/20](#)]

An Early April Study Released By The Michigan Restaurant And Lodging Association (MRLA) Showed 72,000 Restaurant Jobs Were Lost In March, As Well As \$491 Million In Lost Sales. "A mandatory shutdown of all dine-in service at local restaurants has created major financial shortfalls for the state's restaurant industry during one of its busiest months, according to a new report from the Michigan Restaurant & Lodging Association. [...] In a span of 22 days in March, Michigan saw 72,000 restaurant-specific jobs disappear and \$491 million in lost sales for restaurants." [WDET, [4/7/20](#)]

COLORADO: Large CO-Based Companies Secured \$34M+ Of Federal Aid Intended To Help Local, Small Business

SUMMARY: On April 3, 2020, following congressional passage of the CARES Act, the Small Business Administration (SBA) [announced the Paycheck Protection Program](#) (PPP), claiming it would “bring immediate economic relief and eight weeks of financial certainty to millions of small businesses and their employees.” ([Small businesses being defined as companies with fewer than 500 employees.](#))

The results of the program in Colorado have been questionable. Many Coloradan companies that earned PPP funds were not struggling, small businesses – but large, publicly-traded companies that have taken millions each in funding. Among the recipients was the parent owner of a brand of upscale steak restaurants that [made a profit of \\$21.1 million in 2019 and paid out over \\$3.4 million to executives](#), an [emissions control consultant company which profited \\$35.5 million in 2019 while paying executives \\$2.7 million](#), and a [fertilizer manufacturer that made \\$13.6 million in 2019 and paid executives \\$4.9 million](#). In addition to those profitable entities, a Littleton uranium mining operation (incorporated in Canada) received relief [despite the company's own communications indicating COVID 19 would not materially affect operations](#). And a Niwot real estate investment trust that invested in for-profit nursing home facilities – with a CFO who had also founded a [hedge fund](#) – received two separate rounds of funding amounting to \$1.6 million, [despite the fact two of its nursing facilities](#) had racked up violations and a “Much Below Average” rating on the Medicare website. Despite [Treasury guidance that public companies would need to justify loans, particularly those over \\$2 million](#), none of these entities have indicated plans to return their funds.

As profitable entities received federal funds, the impact of COVID 19 was felt across Colorado. The pandemic [reversed a decade of consistent job growth](#). And it was felt via closures across the state: Denver's 20th Street Café, after 74 years of operations, [decided post-pandemic business had become unrealistic](#), and closed its doors. After 30 years of operations, women's clothing store The Satin Camisole in Fort Collins closed permanently as [COVID 19 challenges proved to be “insurmountable.”](#) Closures were not limited to historic businesses: [five-year old Arvada brewery Kline's Beer Hall closed indefinitely](#) following negative impacts of COVID 19 on their business. Yet Colorado's National Federation of Independent Business chapter found that, for the first round of relief funding, [only 20-percent of Colorado business owners who had applied for PPP funds had received them by late April](#).

Finally, criticism of PPP's implementation has been echoed in the business community. The director of the Colorado NFIB criticized large companies receiving forgivable PPP loans, calling the fact that some of the entities received funding “[unconscionable](#).” Even business owners lucky enough to receive funds criticized the structure, saying the [eight-week timeline for payroll made staffing near impossible, and that a longer-term plan was necessary for businesses to survive](#). A bookbinder in Denver summed up the issue, stating: [“the CARES Act is for small businesses and when you have a \\$10 million payroll for eight weeks, you know there's a problem there.”](#)

Large Colorado Corporations – Including A Profitable Restaurant Chain, An Owner Of Lowly-Rated Medical Facilities, And A Company Where Operations Were Not Impacted By COVID 19 – Received Over \$34 Million In Aid Meant For Small Businesses

COMPANY & HQ	PPP Loan Info	EMPLOYEES	NATURE OF BUSINESS	EXEC. COMPENSATION	NOTES
ONE Group Hospitality Inc. HQ: Denver, CO	<u>\$18.3 million on 5/4/20.</u>	<u>227</u>	<u>Creator of the international restaurant brand STK - operates upscale restaurants and lounges, and service for hotels and casinos.</u>	<u>\$3,494,619</u>	\$9.8 million to STK Restaurants; \$8.5 million to Kona Grill. <u>\$21.1 million in profits in 2019.</u>
Global Healthcare REIT HQ: Niwot, CO	\$1.6 million across two rounds of funding: <u>5/4/20</u> - \$1.0 million <u>4/20/20</u> - \$600k	<u>2</u>	<u>Real estate investment trust that owned and leased properties in the “senior care industry.”</u> CFO Zvi Rhine was also the founder of a <u>hedge fund</u> .	<u>\$412,392</u>	Two for-profit nursing facilities linked to the company – <u>Eastman Healthcare</u> and <u>Southern Hills Rehab</u> – received “Much Below Average” ratings on the Medicare website.
UR Energy HQ: Littleton, CO. (Incorporated in Canada)	<u>\$893,300 on 4/16/20.</u>	<u>13</u>	<u>Uranium mining and recovery operations.</u>	<u>\$1,930,189</u>	<u>Per the company’s own communications, COVID 19 did not impact their operations.</u>
Advanced Emissions Solutions, Inc. HQ: Highland Ranch, CO.	<u>\$3.3 million on 4/21/20.</u>	<u>133</u>	<u>Proprietary emissions control and water purification.</u>	<u>\$2,763,921</u>	<u>\$35.5 million in profits in 2019.</u>
Intrepid Potash HQ: Denver, CO.	<u>\$10 million on 4/17/20.</u> <u>\$10 million was the maximum loan amount.</u>	<u>445</u>	<u>Fertilizer manufacturer.</u>	<u>\$4,904,083</u>	<u>\$13.6 million in profits in 2019.</u>

In The Aftermath Of The COVID 19 Pandemic, Colorado Businesses Were Forced To Shut Their Doors Permanently

After 74 Years And Three Family Generations, Denver's 20th Street Café Closed Its Doors, Saying Reopening Post-Pandemic Would Be "Impossible." "20th Street Cafe closed its doors downtown after 74 years and three family generations. 'We thought we had a few years left before retiring,' Rod and Karen Okuno wrote of their decision, 'but with all that has happened in the world and the economy, we decided that trying to reopen after the pandemic and trying to make a realistic go of it would be impossible.'" [Denver Post – The Know, [5/7/20](#)]

Women's Clothing Store The Satin Camisole In Fort Collins Was Forced To Close After 30 Years In Business, Saying The "Challenges Of The Pandemic Have Proven To Be Insurmountable." "After 30 years in business, Old Town's The Satin Camisole — specializing in women's clothing and fine lingerie — will tentatively close Aug. 31, according to a farewell letter sent to the Coloradoan by the shop's manager, Jessica Knudsen. 'We had hoped that we might find a way to continue on during this difficult time but the many challenges of the pandemic have proven to be insurmountable for our small business,' the letter reads. 'Of course the most difficult part for us is losing our connection with the wonderful customers who have supported us over all of these years; we will miss you terribly.'" [Coloradoan, [5/13/20](#)]

The Kline's Beer Hall In Arvada Said It Would Be Closing Indefinitely Post-COVID 19, As The Pandemic Had Impacted Their Five-Year Old Business. In an image, the company said, "We would like to thank you all for the ongoing support of Kline's Beer Hall over the past five years. It is with a heavy heart that we must inform you that Kline's will not be reopening post COVID-19 for the immediate foreseeable future. As this pandemic has negatively affected many businesses including Kline's, we have decided that the best move for us is to close our doors to this space indefinitely at the end of the month." [Facebook – Kline's Beer Hall, [4/17/20](#)]

COVID 19 Ended A Decade Of Job Growth In Colorado, Yet A Local Business Study Found Just 20-Percent Of First-Round Applicants For Federal Relief Had Received Funds

National Federation Of Independent Business, Colorado: Just 20-Percent Of Colorado Members That Applied For Round One Funding Had Money Deposited In Their Accounts By Late April. "After some big companies sucked up tens of millions in funding from the first PPP round — with many of them promptly returning it under public scrutiny later — Tony Gagliardi, the Colorado director of the National Federation of Independent Business, was hopeful his members would have better luck in Round 2. Just 20% of NFIB's Colorado members that applied for the prior round had money deposited in their accounts as of Monday, he said." [Denver Post, [4/28/20](#)]

Colorado Secretary Of State: The COVID 19 Pandemic Ended A Decade Of Job Growth In Colorado. "The stark numbers show that Colorado's economy will likely feel the impacts of COVID-19 for many months, he said. [...] The fallout has brought a decade of job growth in Colorado to an end. The unemployment rate jumped to 4.5 percent in March, exceeding the national average, Secretary of State Jena Griswold said during the conference call. The state's reliance on service jobs, as well as the tourism and energy sectors, are pushing jobless claims higher, she said." [CPR, [4/29/20](#)]

Coloradan Small Business Owners Criticized The Small Business Recovery Program

Local Business Commentary:

- **The Director Of The Colorado National Federation Of Independent Business Said They Found Some Of The Companies Who Received Small Business Funds "Unconscionable."** "After some big

companies sucked up tens of millions in funding from the first PPP round — with many of them promptly returning it under public scrutiny later — Tony Gagliardi, the Colorado director of the National Federation of Independent Business, was hopeful his members would have better luck in Round 2. Just 20% of NFIB's Colorado members that applied for the prior round had money deposited in their accounts as of Monday, he said. 'We found unconscionable who some of these loans in the last round ended up going to,' Gagliardi said." [Denver Post, [4/28/20](#)]

- **Restaurant Co-Owner Said The PPP's Eight-Week Timeline Was Not Friendly To Business Owners, And A Longer-Term Plan Was Necessary.** "'We received the PPP loan in the first round, which is giving us the opportunity to pay our staff for eight weeks. The loan, unfortunately, will not help us to reopen and return to inside dining service,' echoed SALT co-owner Carol Vilate. 'The timeline of the PPP loan makes re-staffing for any longer than the eight weeks impossible,' she continued. 'We are grateful to be able to pay our staff now, but we need a longer-term plan to be able to survive the next two years. So much depends on the safety our guests feel and the experience we can give them.'" [303 Magazine, [5/14/20](#)]
- **Owner Of A Denver Bookbinding Company: "The CARES Act Is For Small Businesses And When You Have A \$10 Million Payroll For Eight Weeks, You Know There's A Problem There."** "'They need to reconsider what small businesses are, you know, I mean 500 employees, a small business? I'm thinking not,' said Gail Lindley, the fifth-generation co-owner of Denver Bookbinding Company, which received a \$48,000 Paycheck Protection Program loan that will be 100% forgiven if it's used mostly on payroll. 'Thank goodness for Shake Shack returning \$10 million,' she said. 'But wait, the CARES Act is for small businesses and when you have a \$10 million payroll for eight weeks, you know there's a problem there.'" [Colorado Sun, [4/21/20](#)]

Local Headlines:

- **KMGH: "Nearly 400 Colorado Restaurants Have Permanently Closed Their Doors Due To Coronavirus"** [KMGH - Denver, [5/13/20](#)]
- **303 Magazine: "Colorado Bar and Restaurant Owners Explain Why The Paycheck Protection Program Isn't Enough"** [303 Magazine, [5/14/20](#)]

NEVADA: Large NV-Based Companies Secured \$19M+ Of Federal Aid Intended To Help Local, Small Business

SUMMARY: On April 3, 2020, the Small Business Administration (SBA) [announced the Paycheck Protection Program](#) (PPP), claiming it would “bring immediate economic relief and eight weeks of financial certainty to millions of small businesses and their employees.” ([Small businesses being defined as companies with fewer than 500 employees.](#))

In Nevada, a convoluted process for small businesses and banks favoring existing lenders have make the situation more complicated. Many of the companies getting PPP funds were not struggling small businesses – but large, publicly-traded companies that have taken millions each in funding. This included entities that had [high profits in the previous year](#) and [companies](#) able to spend large sums of money in [stock buybacks](#) (a financial process [criticized as a way to enrich executives without benefitting the company](#)).

Aid has come to the Nevada’s large, publicly-traded companies, even though the state has received relatively low PPP funding. Nevada, among similarly sized states, [received both the smallest number of loans and lowest amount of money](#).

Nevada is facing broad vulnerability to the economic impacts of COVID 19 – a [national study of the impact of COVID 19](#) found the Las Vegas Metro Area ranked in the top 5 for being vulnerable to a recession, citing the large and devastated hospitality industry. Many companies, some city institutions and others new on the scene, have made the decision to permanently shutter in the wake of COVID 19. This included Reno’s “[iconic](#)” 4th St Bistro restaurant; [Las Vegas’ No Regrets Bar](#), after the company lacked the funds to cover a rent-related situation; and Not Just Antiques Mart in Las Vegas, a company that felt they had “[no choice but to shut down.](#)” despite surviving through the financial recession.

With Nevada businesses struggling and closing, can nearly \$19 million going to large, public companies be considered a success? The program’s application process, accessibility, and effectiveness have come under criticism in the state. SBA’s local district director for Nevada [criticized big banks favoring existing customers](#), noting the issues it would bring to small businesses; the owner of Urban Nest Realty [criticized the difficulty of the application process](#), noting the paperwork burden; and a sole proprietor criticized the lack of communication of the program to business owners, concluding [they were bearing the brunt of the process](#).

Large Nevada Corporations – Including Profitable Companies And Companies Participating In Stock Buybacks – Received Over \$19 Million In Aid Meant For Small Businesses.

COMPANY & HQ	PPP Loan Info	EMPLOYEES	NATURE OF BUSINESS	EXEC. COMPENSATION	NOTES
Full House Resorts HQ: Las Vegas, NV.	<u>\$5,606,200 on 5/3/20.</u>	<u>1,570</u> NOTE: Above “small business” classification of 500 employees.	<u>Full House Resorts, Inc. develops, owns, operates and manages casinos and related hospitality and entertainment facilities in regional U.S. markets.</u>	<u>\$1,318,018</u>	\$3.3 million to race track operator subsidiary, Gaming Entertainment LLC; \$2.2 million to subsidiary FHR-Colorado LLC.
GTY Technology Holdings, Inc. HQ: Las Vegas, NV.	<u>\$3,100,000 on 5/8/20.</u>	<u>108</u>	<u>GTY Technology Holdings Inc. operates as a holding company. The Company, through its subsidiaries provides cloud-based SaaS for state, local, and tribal governments in North America.</u>	<u>\$8,099,568</u>	Company <u>spent \$4.1 million on stock buybacks on its most recent annual filing,</u> criticized as a way to <u>enrich executives without benefit to the company</u>
Live Ventures Inc. HQ: Las Vegas, NV.	<u>\$4,767,887 on 5/4/20.</u>	<u>1,000</u> NOTE: Above “small business” classification of 500 employees.	<u>Live Ventures Incorporated is a holding company for diversified businesses. The Company's segments include Manufacturing Segment, Marketplace Platform Segment and Services Segment.</u>	<u>\$1,233,860</u>	Company <u>spent over \$256,000 on stock buybacks on its most recent annual filing,</u> criticized as a way to <u>enrich executives without benefit to the company</u>
Galaxy Gaming, Inc. HQ: Las Vegas, NV.	<u>\$835,300 on 4/17/20.</u>	<u>40</u>	<u>Galaxy Gaming, the leading independent table games provider, is engaged in the business of designing, developing, manufacturing and acquiring proprietary casino</u>	<u>\$1,223,816</u>	Company <u>made \$2.9 million in profits for the last annual filing.</u>

			table games and associated technology, platforms and systems for the global gaming industry.		
Parking REIT Inc. HQ: Las Vegas, NV.	\$4,767,887 on 5/4/20.	16	The Parking REIT, Inc. is a publicly registered, non-traded real estate investment trust (REIT) that intends to invest in a portfolio of parking facilities located throughout the United States and Canada.	\$640,000	

In The Aftermath Of The Pandemic, Nevada Businesses – Some Of Which Had Survived The Recession – Were Forced To Shut Their Doors Permanently

After 20 Years, Reno’s “Iconic” 4th St Bistro Restaurant Was Forced to Permanently Closed Due To COVID 19. “4th St. Bistro, one of Reno's top restaurants, announced late Thursday night it was permanently closing due to COVID-19 circumstances. The restaurant, which sits above the Truckee River in west Reno, opened in June 2000 and was known for its contemporary American meals inspired by cultures around the world. [...] ‘Thank you to all of our customers, employees, farmers & friends for the last 20 yrs. of support,’ the restaurant said in a Facebook post. ‘We had a great time providing, food, wine, cocktails & service to all of you! We will miss all of Y'all!’” [Fox 11 – Reno, [5/15/20](#)]

Las Vegas’ No Regrets Bar Was Forced To Permanently Shutter, As The Owner Lacked Funds To Handle A Rent Situation That Emerged Out Of COVID 19. “The independent, locally owned gaming bar No Regrets on West Sunset Road has announced its permanent closure. [...] Shawn Lane, the owner of No Regrets, posted Monday on the bar’s Facebook page that ‘it appears that our doors will be closed forever at this location.’ The post referred to an unspecified ‘landlord issue’ that emerged shortly after COVID-19 forced the bar to temporarily close. Speaking to the Review-Journal on Tuesday, Lane explained that amid the shutdown, she was presented an unexpected rent increase as a condition of renewing her lease. Given the circumstances, and the current climate, she doesn’t expect to be able to be relocate. ‘Right now, I’m gonna be thrilled just to make my mortgage, let alone have enough capital to open a new bar,’ Lane said. ‘I think I’m going to miss putting smiles on people’s faces, more than anything.’” [Las Vegas Review-Journal, [5/19/20](#)]

Owner Of Not Just Antiques Mart In Las Vegas: “We’ve Been In Business For Years, We Made It Through The Recession, And Then Along Comes Coronavirus, And We Had No Choice But To Shut Down.” “One of those small businesses that have been forced to close is the Not Just Antiques Mart, located on Western Avenue near Charleston Boulevard and Interstate 15. ‘We’ve been in business for years, we made it through the recession, and then along comes coronavirus, and we had no choice but to shut down,’ said co-owner Jessica Poole. Jessica Poole’s mother, Renee Poole, opened the store in 2004. While working as an estate liquidator, Renee Poole wanted to create a store with items from estates that were too small for their own sale. Inside the store, you’d find things like cutlery, furniture, and art. The store’s massive building is fit to hold all the treasures, but the building recently left the owners with a big bill to keep paying.” [KTNV, [4/28/20](#)]

Nevadan Small Business Owners And Officials Criticized Bank Favoritism Leaving Businesses Without Loans, A Lack Of Communication On The PPP Program, And A Difficult Application Process.

Local Business Commentary:

- **Nevada SBA District Director Joseph Amato Criticized The Failure Of Big Banks To Secure Loans: Banks “That Had No Problem Taking Billions Of Dollars Of Free Money As Bailout In 2008 Are Now The Biggest Banks That Are Resistant To Helping Small Businesses.”** “Big banks that received taxpayer bailouts during the global financial crisis a decade ago are now too slow in helping small businesses seeking assistance through a \$349 billion emergency lending program, a high-level Small Business Administration official said in a recorded teleconference obtained by The Washington Post. Some banks ‘that had no problem taking billions of dollars of free money as bailout in 2008 are now the biggest banks that are resistant to helping small businesses,’ SBA Nevada district director Joseph Amato said in the Monday teleconference about the Paycheck Protection Program. Amato’s comments offer a rare candid glimpse at the frustrations of federal officials working with thousands of banks to ramp up one of the most ambitious economic stimulus programs in U.S. history.” [Washington Post, [4/8/20](#)]
- **A Sole Proprietor Owner Criticized The PPP’s Lack Of Communication To Business Owners, Saying They Were Bearing The Brunt Of The Process.** “‘The application wasn’t too bad,’ says Scott Miller, the sole proprietor behind Geeks on the Go, who submitted an application after reading about the program in the press. ‘You get this receipt. It’s this thing that gives you an application number. ‘Don’t call us, we’ll call you.’ No phone number. No address. Nothing. Just ‘we have it’ and it verifies your email.’ [...] Miller isn’t sure where to go from here. He and his wife, who run the business together, are living off their savings. Neither can apply for unemployment benefits through the state because it isn’t yet set up to handle applications from self-employed people. ‘I recognize the need for having done what we needed to,’ he says of the shutdown of non-essential businesses, which shuttered all of his small business clients in mid-March and triggered them to end their services and projects with him. ‘The risk to people’s health was too much. But it’s hard when you’re bearing the brunt of this.’” [Nevada Current, [4/14/20](#)]
- **A Real Estate Owner Criticized The Difficulty Of The PPP Application Process, Saying The SBA Made It “Seem A Lot Easier Than It Is” And Required Large Amounts Of Paperwork.** “Business owners say confusion about the program has revolved around figuring out eligibility requirements, determining the funding amount and finding a participating lender, along with figuring out the lender’s separate requirements for applicants. ‘They (SBA) make it seem a lot easier than it is,’ said Urban Nest Realty Owner David J. Tina. ‘It’s like submitting an entire file for a loan. I needed W2s on all my employees for the last year — just a ton of stuff.’ Tina handed his bank, City National, as much paperwork as he could quickly gather a day before the application period opened.” [Las Vegas Review-Journal, [4/16/20](#)]

Local Headlines:

- **Nevada Independent: “Nevada Got Smallest Number Of Emergency Loans Compared To Similar-Sized States”** [The Nevada Independent, [4/16/20](#)]
- **Las Vegas Sun: “State’s Congressional Members Hope Nevada Sees More Money In New Round Of Stimulus Funding”** [Las Vegas Sun, [4/28/20](#)]
- **Las Vegas Review-Journal: “Nevada Business Owners ‘Desperate’ As Federal Funds Vanish”** [Las Vegas Review-Journal, [4/16/20](#)]

Studies Showed Nevada Businesses Received The Lowest Amount Of Money And Loans Among Similarly-Sized States And That Las Vegas Was Among The Most Recession-Vulnerable Metro Areas In The Country.

Nevada Independent: A Review Of Public Data From The First Round Of PPP Showed Nevada Received The Fewest Number Of Loans And Least Amount Of Money Compared To States With Similar Populations. “Nevada received the fewest number of loans and the least amount of money under the Small Business Administration Paycheck Protection Program (PPP) compared to states with comparable populations sizes, according to an analysis of SBA data. The Silver State, which has a population of almost 3.08 million people, had 4,209 loans approved by the SBA totaling \$1.25 billion as of April 13. It’s the least amount of aid received by the seven states with populations between 2.9 million and 3.5 million over that time frame. According to the Wall Street Journal, Nevada also ranks near the bottom for loans per 1,000 businesses with fewer than 500 workers.” [Nevada Independent, [4/16/20](#)]

Brooking Institute: Las Vegas Ranked As One Of The Top Five Recession-Vulnerable Metro Areas In The Wake Of COVID, Due To Its Large Hospitality Sector. “But as recession forecasts proliferate, it’s not necessarily true that all areas will be hit equally hard. In a huge nation made up of diverse places and varied local economies, a look at the geography of highly exposed industries makes clear that the economic toll of any coming recession will hit different regions in disparate, uneven ways. [...] The numbers also underscore the massive size of the nation’s reeling leisure and hospitality sector. Kahului, Hawaii, Atlantic City, N.J., and Las Vegas all fall into the top five most recession-vulnerable metro areas, each with more than a third of their workforce in industries threatened by coronavirus-related uncertainties.” [Brookings Institute, [3/17/20](#)]

FLORIDA: Large FL-Based Companies Secured Over \$128M Of Federal Aid Intended To Help Local, Small Business

SUMMARY: On April 3, 2020, the Small Business Administration (SBA) [announced the Paycheck Protection Program](#) (PPP), claiming it would “bring immediate economic relief and eight weeks of financial certainty to millions of small businesses and their employees.” ([Small businesses being defined as companies with fewer than 500 employees](#).) The state of Florida has received \$30.5 billion in forgivable PPP loans from the program’s inception, across 343,442 loans in the state.

Despite the stated intentions, some large, publicly-traded companies in Florida have managed to receive over \$128.4 million in funding. Removing those who have subsequently returned the funds, \$85.8 million remains outstanding. These companies have included companies that [paid out over a million in dividends in 2019](#); companies that [turned meaningful profits](#) in the [previous year](#); [companies engaging](#) in “stock buybacks,” criticized by the [Harvard Business Review](#) as an executive giveaway that doesn’t benefit companies; and even companies such as Town Sports International Holdings, that attempted to continue [charging gym members for their membership after facilities closed](#) due to the COVID 19 pandemic. While they have [since returned the funds](#), upscale Ruth’s Chris Steakhouse received \$20 million despite having over 5,000 employees and paying executives over [\\$11 million](#). Finally, even when it comes to the economic injury disaster loan program – designed for businesses experiencing particular hardship – [public companies with spotty SEC records](#) received [funds from the program](#).

Florida Businesses Received Over \$30.5 Billion In Paycheck Protection Program Funds, Across 343,442 Forgivable Loans

April 3, 2020: Small Business Administration (SBA) Launched The Paycheck Protection Program (PPP), A Fund Designed For Small Businesses Struggling To Meet Expenses During The COVID-19 Pandemic.

“The U.S. Small Business Administration Administrator Jovita Carranza today launched the Paycheck Protection Program, a \$349 billion emergency loan program created last week with the President’s signing of the Coronavirus Aid, Relief, and Economic Security Act (CARES). The program provides forgivable loans up to \$10 million to small businesses left financially distressed by the Coronavirus (COVID-19) pandemic. The loans, which will be administered at the local level by a national network of banks and credit unions, are designed to maintain the viability of millions of small businesses struggling to meet payroll and day-to-day operating expenses.” [Small Business Administration – Press Release, [4/3/20](#)]

- **NPR: The PPP Program Was Designed To Benefit Small Businesses, Defined By Those Having Fewer Than 500 Employees.** “Restaurant chains, construction companies and mobile-home makers are among more than a million businesses approved for loans so far under the government’s \$349 billion Paycheck Protection Program. The program is primarily intended to benefit small businesses — defined as those with fewer than 500 employees — hurt by the coronavirus pandemic. However, some larger, publicly traded companies have also qualified for loans.” [NPR, [4/21/20](#)]

Florida Businesses Have Received 343,442 Forgivable Paycheck Protection Program Loans. [Small Business Association – Paycheck Protection Program (PPP) Report, [5/30/20](#)]

Florida Received \$30,512,350,550 (\$30.5 Billion) In PPP Funding. [Small Business Association – Paycheck Protection Program (PPP) Report, [5/30/20](#)]

Large Florida Corporations – Including Profitable Companies, Companies Criticized For Their Behavior To Customers During COVID, And Companies With Over 500 Employees – Received Over \$128.4 Million In Aid Meant For Small Businesses

Information On Public Companies That Received More Than \$1 Million In PPP Funding Provided Below.

COMPANY & HQ	PPP Loan Info	EMPLOYEES	NATURE OF BUSINESS	EXEC. COMPENSATION	NOTES
GEE Group Inc. HQ: Jacksonville, FL.	\$19.9 million on 5/4/20.	344	Multi-brand staffing and recruiting firm.	\$1,047,850	Company also employs a varying amount of contract workers.
EVI Industries, Inc. HQ: Miami, FL.	\$6.9 million on 5/21/20.	475	Commercial laundry and dry cleaning equipment.	\$1,466,500	Paid out \$1.6 million in dividends in FY 2019.
Spanish Broadcasting System, Inc. HQ: Miami, FL.	\$6.4 million on 4/15/20.	451	Media entity owning primarily radio stations, also television and internet properties.	\$4,158,803	In 2018, the company received a tax benefit in the United States following years of losses, and despite the company being marked profitable in Puerto Rico.
ARC Group, Inc. HQ: Orange Park, FL.	\$6.0 million on 4/17/20.	517	Holding company focused on casual dining industry.	\$265,553	Owns Dick's Wings & Grill.
Transportation and Logistics Systems, Inc. HQ: West Palm Beach, FL.	\$2.9 million on 4/15/20; \$504k on 5/1/20 to subsidiary ShypDirect, LLC.	541	Logistics and transportation company.	\$3,531,000	
SharpSpring, Inc. HQ: Gainesville, FL.	\$3.3 million on 4/23/20.	231	Cloud-based marketing technology company.	\$2,087,657	
Cool Holdings, Inc. HQ: Miami, FL.	\$3.0 million on 4/16/20.	178	Retail chains, authorized reseller of Apple products.	\$835,902	Parent company of Simply Mac.
Town Sports International Holdings HQ: Jupiter, FL.	\$2.7 million on 4/24/20.	9,200	Operator of fitness clubs nationwide.	\$3,447,812	Town Sports' New York Sports Club location attempted to continue to charge customers after gyms closed due to COVID 19.

Rennova Health, Inc. HQ: West Palm Beach, FL.	\$2.3 million on 5/7/20.	309	Owns several rural health clinics.	\$559,686	
Ruth's Hospitality Group, Inc. HQ: Winter Park, FL.	\$20 million on 4/7/20. NOTE: Company has since returned the money.	5,740	Parent company of Ruth's Chris Steakhouse.	\$11,025,162	\$42 million in profits in 2019; \$25.8 million in stock buybacks, criticized as a way to enrich executives without benefit to the company
Uniroyal Global Engineered Products, Inc. HQ: Sarasota, FL.	\$2.2 million in April 2020.	337	Vinyl-coated fabrics and soft trim technologies serving multiple industries.	\$1,286,020	Made over \$961,000 in profit in 2019.
Red Violet, Inc. HQ: Boca Raton, FL.	\$2.1 million on 5/5/20.	107	Software and services company.	\$6,371,247	
Dolphin Entertainment, Inc. HQ: Coral Gables, FL.	\$2.0 million on 4/23/20.	159	Film and television production company for young adult-targeted shows.	\$832,881	Over \$574,000 in stock buybacks, criticized as a way to enrich executives without benefit to the company
FlexShopper, LLC HQ: Boca Raton, FL.	\$1.9 million on 4/30/20.	178	Furniture and computer leasing.	\$1,096,835	
IZEA Worldwide, Inc. HQ: Winter Park, FL.	\$1.9 million on 4/23/20.	122	Online marketing company.	\$1,220,303	
Legacy Education Alliance HQ: Cape Coral, FL.	\$1.8 million on 4/27/20.	120	Educational training seminars, conferences, and services.	\$1,408,911	\$9.9 million in profits for 2019.
Twinlab Consolidated Holdings, Inc. HQ: Boca Raton, FL.	\$1.6 million on 5/7/20.	87	Develops and markets nutritional supplements.	\$836,319	

Innovative Food Holdings Inc. HQ: Bonita Springs, FL.	\$1.6 million on 4/21/20.	112	Distributes specialty food products to chefs and consumers.	\$1,320,004	\$222k net income for the year 2019, following \$1.4 million profit in 2018.
Duos Technologies Group, Inc. HQ: Jacksonville, FL.	\$1.4 million on 4/23/20.	81	Software for video surveillance, analytics, and custom security.	\$1,254,297	
AutoWeb Inc. HQ: Tampa, FL.	\$1.3 million on 4/16/20.	171	Automotive media and marketing company.	\$3,295,047	
Forward Industries, Inc. HQ: West Palm Beach, FL.	\$1.3 million on 4/18/20.	73	Distributor of custom carrying cases for phones and laptops.	\$1,090,890	
Advanzeon Solutions, Inc. HQ: Tampa, FL.	\$1.2 million on 4/23/20.	2	Managed care services in behavioral health, substance abuse, and pharmacy management.	\$590,041	
Sensus Healthcare Inc. HQ: Boca Raton, FL.	\$1.0 million on 4/20/20.	53	Medical device company.	\$1,272,508	

*Information on Florida companies with less than \$1,000,000 in PPP funding can be found on <https://www.trumpbailouts.org/small-businesses/>

One Publicly Traded Florida Company Received An Economic Injury Disaster Loan, Intended For Small Businesses Experiencing Particular Hardship – Despite Having Received An SEC Complaint In The Past

EDIL Program Loans Are Intended To “Provide Vital Economic Support To Small Businesses To Help Overcome The Temporary Loss Of Revenue They Are Experiencing.” “The SBA’s Economic Injury Disaster Loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.” [\[Coronavirus \(COVID-19\)\]](#), U.S. Small Business Administration, accessed 05/26/20]

EDIL Program Loans Include “Long-Term Repayments In Order To Keep Payments Affordable, Up To A Maximum Of 30 Years.” “The SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower’s ability to repay.” [\[Coronavirus \(COVID-19\)\]](#), U.S. Small Business Administration, accessed 05/26/20]

An EIDL “Loan Advance Will Not Have To Be Repaid.” “This loan advance will not have to be repaid.”
[\[Economic Injury Disaster Loan Emergency Advance\]](#), U.S. Small Business Administration, accessed 05/26/20]

Imaging Diagnostic Systems Inc. HQ: Fort Lauderdale, FL.	\$79,600 in PPP loans on May 2020; \$4,000 in Economic Injury Disaster Loans.	4	Medical device company.	\$190,000	
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2013: Imaging Diagnostic Systems, Inc. And Two Of Its Executives Were Cited By The SEC For Making Misstatements And Omissions In Public Filings. “The Securities and Exchange Commission today charged Florida-based medical technology company Imaging Diagnostic Systems and two top executives for making material misstatements and omissions in public filings about the timing of its Food and Drug Administration (FDA) application and its failure to remit payroll taxes to the Internal Revenue Service (IRS).” [SEC – Litigation No. 22801, [9/18/13](#)]

Appendix B: PPP City Reports - Select Cities' Racial Disparities In Loan Distribution, Questionable Recipients

Paycheck Protection Program In New York City: Intended As A Lifeline For Small Business Amid The COVID-19 Crisis, The Program Was Inequitably Distributed

SUMMARY: On April 3, 2020, the Small Business Administration (SBA) [announced the Paycheck Protection Program](#) (PPP), claiming it would “bring immediate economic relief and eight weeks of financial certainty to millions of small businesses and their employees.” New York City has subsequently received 141,873 loans. But, [tracking with a national trend](#), relief in the New York City region has not been equally distributed. Additionally, several bad actors made off with program funds.

An analysis of zip codes across New York City's showed an inequitable distribution of PPP funds across the city. Overall, for every 1,000 residents of New York City, 17 PPP loans were awarded. For the top five zip codes with the largest black proportion, that number dropped to 8.6 loans; for the top 5 zip codes with the most white residents, it raised to 12.2. Zip codes in Manhattan took all of the top 10 positions, both for loans received and loans per capita – including 65-percent white zip code, 10001, which received the largest amount of loans for a single zip code at 4,889. The largest black-proportion zip code, 11411, received 119 loans across 18,556 people, over 6.4 per 1,000. These results [mirror nationwide racial disparities](#) in the disbursement of PPP funds.

The impact of large corporations benefitting from the funds intended for small businesses could also be especially felt in New York City, where the comptroller reported a [nationally-low 12-percent of businesses had received PPP loan awards](#), falling behind states like Nebraska or the Dakotas. Despite a stated intent for smaller business, [luxury developers such as Extell](#) managed to receive multiple loans totaling up to \$6.3 million. Despite public warnings to companies with “[access to capital markets](#)” to avoid taking funds, companies such as New York's [TravelZoo received \\$3.6 million](#) in loans – despite a profitable 2019 where the company also spent nearly \$11 million in stock buybacks, which [Harvard Business Review](#) has described as enriching executives at the expense of the company bottom line. Finally, despite small businesses being generally defined as having less than 500 employees, [exemptions written into the law](#) allowed restaurant owners such as NYC's [Ark Restaurants Corporation](#) – owner of numerous restaurants nationwide, including Bryant Park Grill – to receive numerous [loans totaling \\$14.9 million](#) despite a reported employee count of [2,145](#).

The Paycheck Protection Program Was Launched As A Lifeline For Small Businesses Amid COVID-19

April 3, 2020: Small Business Administration (SBA) Launched The Paycheck Protection Program (PPP), A Fund Designed For Small Businesses Struggling To Meet Expenses During The COVID-19 Pandemic. “The U.S. Small Business Administration Administrator Jovita Carranza today launched the Paycheck Protection Program, a \$349 billion emergency loan program created last week with the President's signing of the Coronavirus Aid, Relief, and Economic Security Act (CARES). The program provides forgivable loans up to \$10 million to small businesses left financially distressed by the Coronavirus (COVID-19) pandemic. The loans, which will be administered at the local level by a national network of banks and credit unions, are designed to maintain the viability of millions of small businesses struggling to meet payroll and day-to-day operating expenses.” [Small Business Administration – Press Release, [4/3/20](#)]

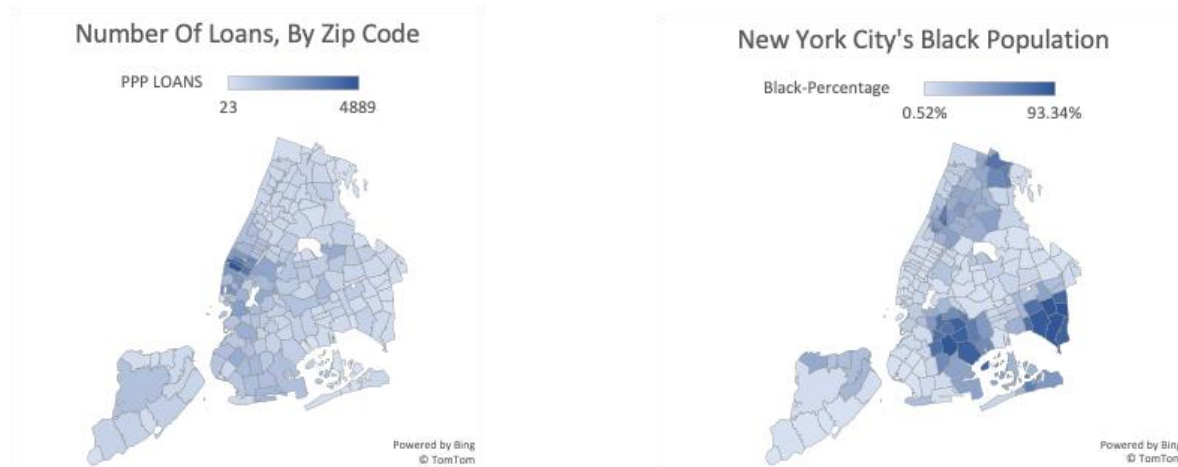
Payroll Protection Program Was Intended For Small Businesses, Traditionally Defined As Under 500 Employees. “Restaurant chains, construction companies and mobile-home makers are among more than a

million businesses approved for loans so far under the government's \$349 billion Paycheck Protection Program. The program is primarily intended to benefit small businesses — defined as those with fewer than 500 employees — hurt by the coronavirus pandemic. However, some larger, publicly traded companies have also qualified for loans.” [National Public Radio, [4/21/20](#)]

April 23, 2020: Treasury’s FAQ Document On The PPP Said Companies With “Substantial Market Value And Access To Capital Markets” Would Have Difficulty Justifying The Necessity Of A Loan. “Question: Do businesses owned by large companies with adequate sources of liquidity to support the business’s ongoing operations qualify for a PPP loan? Answer: In addition to reviewing applicable affiliation rules to determine eligibility, all borrowers must assess their economic need for a PPP loan under the standard established by the CARES Act and the PPP regulations at the time of the loan application. [...] For example, it is unlikely that a public company with substantial market value and access to capital markets will be able to make the required certification in good faith, and such a company should be prepared to demonstrate to SBA, upon request, the basis for its certification.” [Treasury Department - Paycheck Protection Program Loans Frequently Asked Questions, [4/23/20](#)]

- **July 2020: The U.S. Small Business Administration (SBA) Closed The PPP To “Big Public Companies ‘With Substantial Market Value And Access To Capital Markets.’”** “[...] [T]he SBA has worked to close that loophole, saying that big public companies “with substantial market value and access to capital markets” don’t qualify for the program.” [CNBC, [07/06/20](#)]

A Zip Code Analysis Of New York City Showed Zip Code Areas With High Black Populations Received Less PPP Loans



Key Points:

- New York City zip codes received 141,873 PPP loans.
- Per capita, New York City received approximately 17 PPP loans for every 1,000 residents.
- A significant relationship existed between the Black population of a zip code, and that zip code’s per capita PPP loans. The five zip codes with the highest proportion of black residents, largely in Queens and Brooklyn, received 8.6 loans per capita. This compared to the roughly 12.2 per capita received in the five zip codes with the most white residents, largely in Staten Island.
- Manhattan zip codes take all of the top 10 positions in both total loans received and loans per capita, with 10018 taking 4,348 loans in an area with a 5,229 population (or 831.5 PPP loans per capita). 10001 had the highest raw number of loans, at 4,889. The more population-heavy 10022 in

Manhattan's Gramercy Park and Murray Hill (31,924 population, 86.4-percent white) came in at #10 with 3,112 loans, or 97.5 for every 1,000 people.

- 10020 (Manhattan, Chelsea and Clinton) and 11359 (Queens, North Queens) were coded as New York City zip codes, but were marked as zero population and therefore not included in this dataset.

Zip Codes With Higher Black Populations In New York City Received Less PPP Loans On Average.

ZIP CODE	POPULATION	PPP LOANS	BLACK %	WHITE %	LOANS PER 1000 POPULATION
10001	21,102	4,889	8.99%	65.03%	231.7
10002	81,410	1,676	8.40%	31.33%	20.6
10003	56,024	2,540	3.53%	76.39%	45.3
10004	3,089	1,133	3.14%	70.15%	366.8
10005	7,135	840	3.39%	70.09%	117.7
10006	3,011	551	4.55%	69.35%	183
10007	6,988	927	6.74%	75.57%	132.7
10009	61,347	794	9.84%	62.07%	12.9
10010	31,834	1,882	5.90%	73.80%	59.1
10011	50,984	2,573	4.61%	80.26%	50.5
10012	24,090	1,558	2.47%	75.56%	64.7
10013	27,700	2,824	3.75%	55.62%	101.9
10014	31,959	1,332	2.07%	87.91%	41.7
10016	54,183	3,646	4.02%	74.78%	67.3
10017	16,575	2,809	3.28%	75.43%	169.5
10018	5,229	4,348	7.59%	56.97%	831.5
10019	42,870	2,535	5.51%	69.31%	59.1
10021	43,631	1,235	1.81%	87.99%	28.3
10022	31,924	3,112	1.85%	86.42%	97.5
10023	60,998	1,505	4.68%	81.54%	24.7
10024	59,283	1,228	5.70%	82.97%	20.7
10025	94,600	1,238	14.32%	64.86%	13.1
10026	34,003	426	58.70%	21.98%	12.5
10027	59,707	695	44.25%	31.09%	11.6
10028	45,141	1,105	1.70%	87.72%	24.5
10029	76,003	600	31.46%	32.60%	7.9
10030	26,999	223	71.85%	10.96%	8.3
10031	56,438	458	33.50%	24.84%	8.1
10032	57,331	458	22.09%	28.27%	8
10033	53,926	564	9.73%	42.47%	10.5
10034	38,908	410	12.85%	37.42%	10.5
10035	33,969	370	43.55%	25.07%	10.9
10036	24,711	3,562	9.31%	63.68%	144.1
10037	17,416	162	77.23%	8.41%	9.3
10038	20,300	1,212	8.03%	53.30%	59.7
10039	24,527	150	69.80%	10.75%	6.1

10040	41,905	357	11.03%	38.67%	8.5
10044	11,661	72	21.28%	51.04%	6.2
10065	32,270	1,073	1.75%	86.06%	33.3
10075	26,121	691	1.99%	87.94%	26.5
10128	60,453	1,168	4.72%	80.36%	19.3
10280	7,853	147	2.99%	69.58%	18.7
10301	39,706	383	24.59%	54.39%	9.6
10302	19,088	213	21.01%	49.07%	11.2
10303	26,337	232	37.52%	33.86%	8.8
10304	42,193	453	28.84%	47.84%	10.7
10305	41,749	520	4.38%	76.24%	12.5
10306	55,909	711	2.11%	87.88%	12.7
10307	14,096	175	0.61%	93.43%	12.4
10308	27,357	243	0.52%	93.59%	8.9
10309	32,519	593	2.36%	91.06%	18.2
10310	24,962	289	23.29%	54.11%	11.6
10312	59,304	608	0.97%	90.82%	10.3
10314	85,510	1,164	4.26%	75.89%	13.6
10451	45,713	514	43.37%	19.03%	11.2
10452	75,371	400	36.07%	19.20%	5.3
10453	78,309	398	38.35%	17.40%	5.1
10454	37,337	386	31.63%	23.98%	10.3
10455	39,665	356	30.55%	24.87%	9
10456	86,547	387	48.40%	15.40%	4.5
10457	70,496	441	38.28%	20.28%	6.3
10458	79,492	547	25.95%	29.72%	6.9
10459	47,308	294	35.37%	23.29%	6.2
10460	57,311	303	36.40%	24.68%	5.3
10461	50,502	696	8.58%	59.15%	13.8
10462	75,784	628	29.58%	32.31%	8.3
10463	67,970	601	16.48%	51.29%	8.8
10464	4,534	77	3.88%	85.02%	17
10465	42,230	336	10.74%	69.20%	8
10466	67,813	377	72.71%	10.04%	5.6
10467	97,060	537	38.89%	26.60%	5.5
10468	76,103	391	25.92%	24.78%	5.1
10469	66,631	423	59.01%	22.65%	6.3
10470	15,293	151	35.81%	48.46%	9.9
10471	22,922	215	10.60%	72.88%	9.4
10472	66,358	323	30.82%	24.89%	4.9
10473	58,519	211	44.12%	23.42%	3.6
10474	12,281	397	34.45%	23.06%	32.3

10475	40,931	187	63.60%	21.55%	4.6
11004	14,016	188	6.33%	49.97%	13.4
11005	1,806	23	1.66%	96.62%	12.7
11101	25,484	2,104	20.79%	42.54%	82.6
11102	34,133	493	9.81%	55.74%	14.4
11103	38,780	805	1.91%	67.88%	20.8
11104	27,232	396	2.17%	54.23%	14.5
11105	36,688	736	2.17%	75.50%	20.1
11106	38,875	737	8.92%	54.55%	19
11201	51,128	2,349	15.14%	67.12%	45.9
11203	76,174	582	91.15%	3.55%	7.6
11204	78,134	1,382	0.77%	66.38%	17.7
11205	40,366	1,342	34.43%	45.67%	33.2
11206	81,677	1,077	28.29%	42.28%	13.2
11207	93,386	666	66.84%	11.39%	7.1
11208	94,469	589	47.79%	15.66%	6.2
11209	68,853	1,081	2.16%	77.10%	15.7
11210	62,008	910	57.77%	33.30%	14.7
11211	90,117	1,990	4.99%	76.05%	22.1
11212	84,500	441	85.16%	4.52%	5.2
11213	63,767	717	72.85%	19.59%	11.2
11214	88,630	966	1.15%	57.56%	10.9
11215	63,488	1,767	6.07%	76.40%	27.8
11216	54,316	778	76.48%	12.74%	14.3
11217	35,881	983	22.86%	59.37%	27.4
11218	75,220	1,256	9.90%	57.38%	16.7
11219	92,221	1,874	1.22%	68.22%	20.3
11220	99,598	1,221	2.99%	30.62%	12.3
11221	78,895	672	56.75%	17.46%	8.5
11222	36,934	1,394	2.18%	83.54%	37.7
11223	78,731	1,261	4.17%	66.12%	16
11224	47,621	373	24.78%	59.33%	7.8
11225	56,829	615	75.25%	16.54%	10.8
11226	101,572	769	75.66%	9.86%	7.6
11228	41,788	406	0.68%	68.14%	9.7
11229	80,018	1,211	5.48%	71.27%	15.1
11230	86,408	1,463	8.38%	71.35%	16.9
11231	33,336	1,078	15.04%	68.85%	32.3
11232	28,265	918	7.32%	42.78%	32.5
11233	67,053	449	84.77%	5.41%	6.7
11234	87,757	1,195	42.19%	47.83%	13.6
11235	79,132	1,515	2.18%	78.05%	19.1

11236	93,877	712	85.04%	7.47%	7.6
11237	49,896	710	10.87%	36.16%	14.2
11238	49,262	1,075	47.89%	37.92%	21.8
11239	13,393	43	57.07%	31.33%	3.2
11354	54,878	1,899	3.84%	28.02%	34.6
11355	85,871	913	3.30%	16.54%	10.6
11356	23,438	430	2.59%	50.93%	18.3
11357	39,150	620	0.96%	76.15%	15.8
11358	37,546	790	1.10%	50.17%	21
11360	18,884	203	1.53%	71.00%	10.7
11361	28,606	701	3.90%	54.43%	24.5
11362	17,823	338	1.58%	56.87%	19
11363	6,988	108	1.09%	63.24%	15.5
11364	34,555	362	2.27%	46.20%	10.5
11365	42,252	484	8.84%	40.74%	11.5
11366	13,532	303	6.35%	46.02%	22.4
11367	41,047	478	10.00%	59.44%	11.6
11368	109,931	724	11.64%	32.00%	6.6
11369	38,615	264	19.82%	34.38%	6.8
11370	39,688	241	17.75%	41.70%	6.1
11372	66,636	1,009	3.14%	45.84%	15.1
11373	100,820	829	2.08%	26.72%	8.2
11374	43,600	661	3.00%	61.56%	15.2
11375	68,733	1,320	2.92%	65.36%	19.2
11377	89,830	1,049	3.41%	37.89%	11.7
11378	34,981	821	1.58%	73.50%	23.5
11379	34,821	396	1.04%	83.08%	11.4
11385	98,592	1,143	3.36%	65.51%	11.6
11411	18,556	119	93.34%	2.09%	6.4
11412	34,882	236	92.02%	1.40%	6.8
11413	38,912	359	91.81%	2.26%	9.2
11414	26,148	288	2.02%	87.02%	11
11415	19,341	305	7.32%	62.26%	15.8
11416	24,861	291	11.29%	31.77%	11.7
11417	28,967	285	8.94%	41.04%	9.8
11418	36,256	508	10.91%	36.95%	14
11419	47,211	539	18.18%	12.34%	11.4
11420	44,354	337	32.58%	15.56%	7.6
11421	39,127	286	7.79%	43.21%	7.3
11422	30,425	270	83.73%	7.26%	8.9
11423	29,987	294	42.36%	15.30%	9.8
11426	17,590	235	5.64%	46.28%	13.4

11427	23,593	203	23.99%	28.10%	8.6
11428	19,168	245	24.43%	22.81%	12.8
11429	25,105	202	80.82%	6.09%	8
11432	60,809	840	19.77%	23.84%	13.8
11433	32,687	240	75.27%	5.26%	7.3
11434	59,129	655	88.36%	2.89%	11.1
11435	53,687	585	27.68%	26.40%	10.9
11436	17,949	100	75.71%	3.86%	5.6
11691	60,035	431	50.14%	30.99%	7.2
11692	18,540	92	66.36%	16.45%	5
11693	11,916	89	30.82%	55.40%	7.5
11694	20,408	203	9.17%	82.46%	9.9
TOTAL:	676,943	141,873	25.62%	43.92%	17.4

[United States Census – 2010 Census Race By Zip Code (New York), accessed [8/10/20](#); U.S. Small Business Administration, Paycheck Protection Program Loans under \$150,000 by State – New York, Accessed [8/10/20](#); Accountable.US, COVIDBailoutTracker.com, Accessed [8/10/20](#)]

- **New York City Zip Codes Areas Are Defined By The New York State Department Of Health Website.**
[New York State Department of Health – “ZIP Code Definitions of New York City Neighborhoods,” accessed [8/10/20](#)]

As Some New York City Neighborhoods Were Left Out Of Receiving Their Share Of The PPP, Funding Found Its Way To Luxury Developers, Profitable And Executive-Enriching Public Companies, And Large Restaurant Chains

The New York City Comptroller Reported Small Businesses In New York City Received Aid At A Lower Rate Than Comparable Rates Elsewhere In The US

The NYC Comptroller Reported 12-Percent Of New York City Businesses Received A PPP Loan, Compared To More Than 20-Percent In States Such As Nebraska Or The Dakotas. “New York City small businesses got disproportionately fewer loans from the federal government’s Paycheck Protection Program than parts of the country that weren’t as hard hit by the coronavirus pandemic, a city comptroller report says. Only 12% of the roughly 1.1 million employee-based and nonemployer businesses in New York City received a PPP loan, according to the report set to be released Wednesday. By comparison, more than 20% of businesses in states that were less economically affected by the pandemic—like North Dakota, South Dakota and Nebraska—got federal aid, the report says, based on roughly three months of federal data on the program through June 30.” [Wall Street Journal, [7/15/20](#)]

A Manhattan Luxury Real Estate Developer Received Between \$2.5 To \$6.3 Million In PPP Funding Across Multiple Entities

Extell Development Company, Owner Of Two Large Condominium Towers In Manhattan, Received Up To \$6.35 Million Across Three PPP Loans. “The small business loan program has also been a boon to Manhattan luxury real estate developers. Among them is Gary Barnett and his Extell Development company, builder of two of Manhattan’s tallest and most expensive condominium towers that line 57th Street, now known as Billionaires’ Row. One of them, Central Park Tower, cost \$3 billion to build and at 1,550 feet in height is the world’s tallest residential building. A unit on the 112th floor is on sale for \$63 million. [...] Extell received three loans totaling \$2.5 million to \$6.35 million. An Extell spokeswoman said the ‘very welcome government program’ allowed the firm to continue paying its employees.” [Wall Street Journal, [7/7/20](#)]

Extell Received Up To \$6,350,000 Across Three Forgivable PPP Loans.

- **New York's Extell Management Services Inc. Received Up To \$350,000 In PPP Funds.** [COVID Bailout Tracker – Extell Management Services Inc., accessed [8/11/20](#)]
- **New York's Extell Marketing Group LLC Received Up To \$1 Million In PPP Funds.** [COVID Bailout Tracker – Extell Marketing Group LLC, accessed [8/11/20](#)]
- **New York's Extell Development Company Received Up To \$5 Million In PPP Funds.** [COVID Bailout Tracker – Extell Development Company, accessed [8/11/20](#)]

A Publicly-Traded New York City Travel Company Took PPP Funding Despite A Profitable 2019 That Included Millions In Executive--Enriching "Stock Buybacks"

TravelZoo Was A Publicly-Traded Travel Company. "Travelzoo® provides our 30 million members insider deals and one-of-a-kind experiences personally reviewed by one of our deal experts around the globe. We have our finger on the pulse of outstanding travel, entertainment, and lifestyle experiences. For over 20 years we have worked in partnership with more than 5,000 top travel suppliers—our long-standing relationships give Travelzoo members access to irresistible deals." [TravelZoo – "About," accessed [8/11/20](#)]

April 24, 2020: TravelZoo Received \$3,656,605 In PPP Funding. "On April 24, 2020, Travelzoo (the 'Company') entered into a promissory note (the 'Note') in the principal amount of \$3,121,605 (the 'PPP Loan') in favor of HSBC Bank USA, National Association (the 'Lender') pursuant to the Paycheck Protection Program (the 'PPP') of the Coronavirus Aid, Relief, and Economic Security Act, administered by the U.S. Small Business Administration ('SBA'). The PPP Loan matures on April 24, 2022 and bears interest at a rate of 1.0% per annum. Commencing October 21, 2020, the Company is required to pay the Lender equal monthly payments of principal and interest as necessary to fully amortize the principal amount outstanding by the maturity date." [SEC – TravelZoo 8-K, [4/24/20](#)]

TravelZoo Listed 590 Madison Avenue, New York, NY 10022 As Its Principal Executive Office. [SEC – TravelZoo 8-K, [4/24/20](#)]

2019: TravelZoo Reported \$4.2 Million In Profits For The Previous Year. [SEC – TravelZoo 10-K, [3/20/20](#)]

2019: TravelZoo Spent \$10.8 Million On Stock Buybacks. "Net cash used in financing activities for 2019 and 2018 was \$9.1 million and \$5.3 million, respectively. Net cash used in financing activities for the year ended December 31, 2019 was primarily due to \$10.8 million used in repurchases of our common stock, offset partially by \$1.7 million of proceeds from the issuance of common stock, net of tax paid for the net share settlement." [SEC – TravelZoo 10-K, [3/20/20](#)]

- **Harvard Business Review: Stock Buybacks "Make No Contribution To The Productive Capabilities Of The Firm," Instead Serving To Enrich Senior Corporate Executives.** "Stock buybacks made as open-market repurchases make no contribution to the productive capabilities of the firm. Indeed, these distributions to shareholders, which generally come on top of dividends, disrupt the growth dynamic that links the productivity and pay of the labor force. [...] Why have U.S. companies done these massive buybacks? With the majority of their compensation coming from stock options and stock awards, senior corporate executives have used open-market repurchases to manipulate their companies' stock prices to their own benefit and that of others who are in the business of timing the buying and selling of publicly listed shares." [Harvard Business Review, [01/07/2020](#)]

New York-Based Ark Restaurants Took Advantage Of A Lobbyist Loophole To Receive Loans Despite Having Over 2,100 Employees

Ark Restaurants Corporation Owned "Distinctively-Designed Dining Establishments" Nationwide, Including Bryant Park Grill In New York City. "Ark Restaurants operates distinctively-designed dining

establishments in New York City; Las Vegas; Washington, DC; Atlantic City; Alabama; and Florida. Whether you're at Bryant Park Grill, located behind New York City's Public Library; the newly-renovated Sequoia, our 1000-seat venue along the banks of Washington, DC's beautiful Potomac River; ROBERT, situated on the 9th floor of NYC's Museum of Art & Design with a breathtaking view of Columbus Circle; or Gallagher's Steakhouse at Resorts Hotel and Casino in Atlantic City, you're sure to enjoy yourself when dining at an Ark Restaurant." [Ark Restaurants Corporation - "About," accessed [8/11/20](#)]

June 2020: Ark Restaurants Corporation Reported Receiving \$14.9 Million In PPP Funding, Through An Undisclosed Number Of Subsidiaries In May And June. "During May and June, subsidiaries (the 'Borrowers') of the Company received loan proceeds from several banks (the 'Lenders') in the aggregate amount of approximately \$14.9 million (the 'PPP Loans') under the Paycheck Protection Program (the 'PPP') of the CARES Act, which was enacted March 27, 2020." [SEC – Ark Restaurants Corporation 10-Q, [6/23/20](#)]

Ark Restaurants Listed 85 Fifth Avenue, New York, NY 10003 As Its Principal Executive Office. [SEC – Ark Restaurants Corporation 10-Q, [6/23/20](#)]

Most Recent Filing: Ark Restaurants Corporation Reported 2,145 Employees. "At November 30, 2019, we employed 2,145 persons (including employees at managed facilities), 1,328 of whom were full-time employees, and 817 of whom were part-time employees; 48 of whom were headquarters personnel, 141 of whom were restaurant management personnel, 1,298 of whom were kitchen personnel and 658 of whom were restaurant service personnel. A number of our restaurant service personnel are employed on a part-time basis." [SEC – Ark Restaurants Corporation 10-K, [12/17/19](#)]

- **Wall Street Journal: Language In The CARES Act, Fought For By The National Restaurant Association, Allowed Big Restaurant And Hotel Chains To Participate Despite Aim Of Program Being Businesses With 500 Or Fewer Employees.** "While the new \$350 billion Paycheck Protection Program is aimed at businesses with 500 or fewer employees, language in the \$2 trillion federal stimulus bill allows big restaurant and hotel chains to participate regardless of how many people they employ. Sean Kennedy, executive vice president for the National Restaurant Association, which lobbied for the restaurant-and-hotel exception, says size shouldn't matter." [Wall Street Journal, [4/6/20](#)]

LOS ANGELES: Intended As A Lifeline For Small Business Amidst The COVID-19 Crisis, The Program Was Inequitably Distributed

SUMMARY: On April 3, 2020, the Small Business Administration (SBA) [announced the Paycheck Protection Program](#) (PPP), claiming it would "bring immediate economic relief and eight weeks of financial certainty to millions of small businesses and their employees." Los Angeles county businesses have subsequently received 184,027 loans. But, [tracking with a national trend](#), relief across Los Angeles has not been equally distributed. Additionally, several bad actors made off with program funds.

An Accountable.us analysis of zip codes across Los Angeles showed an inequitable distribution of PPP aid. Overall, for every 1,000 residents of Los Angeles, 17 PPP loans were awarded, and the county's demographic split was roughly even between white and nonwhite residents. For the top 10 zip codes with the largest nonwhite population, loans per 1,000 residents drops to 11; for the top 10 zip codes with the most white residents, it rises to 59.3. Black zip codes mirror the larger nonwhite trend, with the 10 ten proportioned zip codes also receiving 11 loans per capita. These results [mirror nationwide racial disparities](#) in the disbursement of PPP funds.

Despite the PPP's intention to serve small businesses, larger entities in the Los Angeles area received loan funding while smaller businesses suffered. COVID-19 produced record unemployment rates in Los Angeles, and some economists predicted it could take up to the three years for the area to return to pre-pandemic unemployment levels. While some areas were left out of funding to relieve economic pain, other entities, such as the entertainment industry raked in cash. Up to \$5 million in PPP funds found their way to Kanye

West's [\\$3-billion Yeezy apparel brand](#); [Hollywood talent agencies](#) such as LA's Don Buchwald and Associates, [agent to Howard Stern and major television stars](#), received up to \$1 million; the [LA Lakers received \\$4.6 million](#) before returning the funds following outcry. And despite the intent to help small, struggling businesses, large national firms took funds from the program – such as [LA health services company RadNet, Inc.](#), a nationwide firm with over 6,000 employees that took home more than \$4 million from the PPP after making nearly \$14.8 million in profits in 2019.

The Paycheck Protection Program Was Launched As A Lifeline For Small Businesses Amid COVID-19

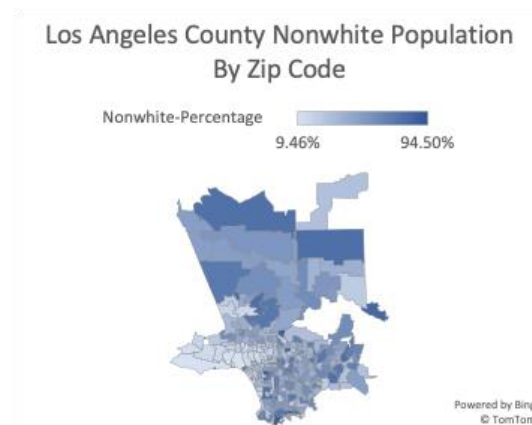
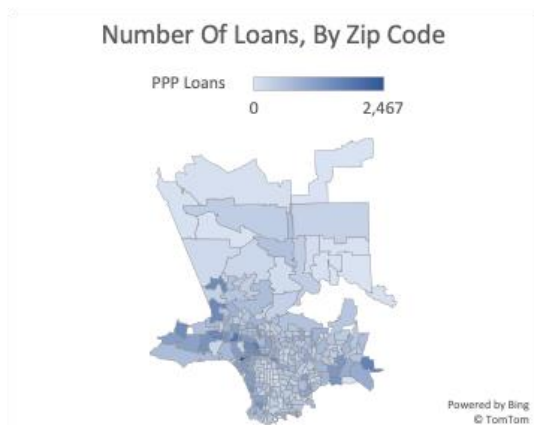
April 3, 2020: Small Business Administration (SBA) Launched The Paycheck Protection Program (PPP), A Fund Designed For Small Businesses Struggling To Meet Expenses During The COVID-19 Pandemic.

“The U.S. Small Business Administration Administrator Jovita Carranza today launched the Paycheck Protection Program, a \$349 billion emergency loan program created last week with the President’s signing of the Coronavirus Aid, Relief, and Economic Security Act (CARES). The program provides forgivable loans up to \$10 million to small businesses left financially distressed by the Coronavirus (COVID-19) pandemic. The loans, which will be administered at the local level by a national network of banks and credit unions, are designed to maintain the viability of millions of small businesses struggling to meet payroll and day-to-day operating expenses.” [Small Business Administration – Press Release, [4/3/20](#)]

Payroll Protection Program Was Intended For Small Businesses, Traditionally Defined As Under 500 Employees. “Restaurant chains, construction companies and mobile-home makers are among more than a million businesses approved for loans so far under the government's \$349 billion Paycheck Protection Program. The program is primarily intended to benefit small businesses — defined as those with fewer than 500 employees — hurt by the coronavirus pandemic. However, some larger, publicly traded companies have also qualified for loans.” [National Public Radio, [4/21/20](#)]

April 23, 2020: Treasury’s FAQ Document On The PPP Said Companies With “Substantial Market Value And Access To Capital Markets” Would Have Difficulty Justifying The Necessity Of A Loan. “Question: Do businesses owned by large companies with adequate sources of liquidity to support the business’s ongoing operations qualify for a PPP loan? Answer: In addition to reviewing applicable affiliation rules to determine eligibility, all borrowers must assess their economic need for a PPP loan under the standard established by the CARES Act and the PPP regulations at the time of the loan application. [...] For example, it is unlikely that a public company with substantial market value and access to capital markets will be able to make the required certification in good faith, and such a company should be prepared to demonstrate to SBA, upon request, the basis for its certification.” [Treasury Department - Paycheck Protection Program Loans Frequently Asked Questions, [4/23/20](#)]

A Zip Code Analysis Of Los Angeles Showed Zip Code Areas With High Nonwhite Populations Received Less PPP Loans



Key Points:

- Zip codes in Los Angeles county received 184,027 PPP loans.
- Per capita, residents in Los Angeles county received approximately 18 PPP loans for every 1,000 residents. Zip codes in Los Angeles county were approximately evenly split between white and nonwhite residents, 50.6-percent to 49.4-percent.
- A significant relationship existed between the nonwhite population of a zip code, and that zip code's per capita PPP loans. The 10 zip codes with the highest proportion of nonwhite residents received 11 loans per capita. This compared to the roughly 59.3 per capita received in the 10 zip codes with the highest percentage of white residents.
- Black zip codes in Los Angeles fared similar to overall nonwhite zip codes in proportions, as the ten zip codes with the highest proportion of black residents received 11 loans per capita. 8.6-percent of Los Angeles residents were black.
- Zip codes were based on the [Los Angeles County listing of zip codes](#).
 - Zips 90079, 90506, 90747, 90831, and 91608 were removed for having zero population;
 - 90071, 90073, 90095, 90822, 91046, 91210, 91759, and 93563 were removed for having populations under 1,000.
 - 90704 constituted two Channel Islands within LA County and was included in the total dataset, but was removed from the above map to better highlight disparities.

Zip Codes With Higher Nonwhite Populations In Los Angeles County Received Less PPP Loans On Average.

ZIP CODE	POPULATION	PPP LOANS	WHITE-PERCENTAGE	NONWHITE-PERCENTAGE	LOANS PER 1,000 POPULATION
90001	57,110	295	35.91%	64.09%	5.2
90002	51,223	101	28.10%	71.90%	2
90003	66,266	238	30.00%	70.00%	3.6
90004	62,180	881	37.32%	62.68%	14.2
90005	37,681	518	29.07%	70.93%	13.7
90006	59,185	804	31.88%	68.12%	13.6
90007	40,920	551	38.73%	61.27%	13.5
90008	32,327	326	8.50%	91.50%	10.1
90010	3,800	1,368	23.26%	76.74%	360
90011	103,892	451	33.82%	66.18%	4.3

90012	31,103	832	27.11%	72.89%	26.7
90013	11,772	1,009	37.26%	62.74%	85.7
90014	7,005	1,427	40.16%	59.84%	203.7
90015	18,986	1,626	35.35%	64.65%	85.6
90016	47,596	543	24.48%	75.52%	11.4
90017	23,768	995	34.78%	65.22%	41.9
90018	49,310	295	26.01%	73.99%	6
90019	64,458	927	29.97%	70.03%	14.4
90020	38,967	668	24.34%	75.66%	17.1
90021	3,951	1,307	41.00%	59.00%	330.8
90022	67,179	437	52.36%	47.64%	6.5
90023	45,903	499	49.62%	50.38%	10.9
90024	47,452	1,323	61.60%	38.40%	27.9
90025	42,147	2,467	64.67%	35.33%	58.5
90026	67,869	995	46.73%	53.27%	14.7
90027	45,151	1,076	69.84%	30.16%	23.8
90028	28,714	1,093	63.15%	36.85%	38.1
90029	38,617	463	43.88%	56.12%	12
90031	39,316	338	35.64%	64.36%	8.6
90032	45,786	251	45.01%	54.99%	5.5
90033	48,852	296	45.97%	54.03%	6.1
90034	57,964	991	49.60%	50.40%	17.1
90035	28,418	974	76.06%	23.94%	34.3
90036	36,865	1,561	67.28%	32.72%	42.3
90037	62,276	285	26.33%	73.67%	4.6
90038	28,917	698	51.49%	48.51%	24.1
90039	28,514	790	56.53%	43.47%	27.7
90040	12,520	706	55.00%	45.00%	56.4
90041	27,425	551	49.14%	50.86%	20.1
90042	62,430	623	47.64%	52.36%	10
90043	44,789	400	10.99%	89.01%	8.9
90044	89,779	268	22.43%	77.57%	3
90045	39,480	1,213	61.13%	38.87%	30.7
90046	48,581	1,796	84.00%	16.00%	37
90047	48,606	364	11.80%	88.20%	7.5
90048	21,397	1,633	84.02%	15.98%	76.3
90049	35,482	1,230	84.17%	15.83%	34.7
90056	7,827	158	13.42%	86.58%	20.2
90057	44,998	404	28.72%	71.28%	9
90058	3,223	1,019	35.65%	64.35%	316.2
90059	40,952	134	21.73%	78.27%	3.3
90061	26,872	229	21.56%	78.44%	8.5

90062	32,821	137	21.19%	78.81%	4.2
90063	55,758	192	48.54%	51.46%	3.4
90064	25,403	1,396	69.69%	30.31%	55
90065	45,527	684	48.72%	51.28%	15
90066	55,277	1,242	62.45%	37.55%	22.5
90067	2,424	1,201	85.68%	14.32%	495.5
90068	22,286	727	80.97%	19.03%	32.6
90069	20,483	1,598	85.35%	14.65%	78
90077	9,377	276	84.56%	15.44%	29.4
90089	3,217	15	50.30%	49.70%	4.7
90094	5,464	239	57.17%	42.83%	43.7
90201	101,279	481	50.93%	49.07%	4.7
90210	21,741	1,493	86.68%	13.32%	68.7
90211	8,434	1,420	77.67%	22.33%	168.4
90212	11,555	1,451	80.95%	19.05%	125.6
90220	49,328	444	22.97%	77.03%	9
90221	53,704	362	29.22%	70.78%	6.7
90222	31,869	125	29.06%	70.94%	3.9
90230	31,766	963	54.07%	45.93%	30.3
90232	15,149	840	60.74%	39.26%	55.4
90240	25,876	360	59.17%	40.83%	13.9
90241	42,399	703	57.36%	42.64%	16.6
90242	43,497	251	54.31%	45.69%	5.8
90245	16,654	1,198	78.04%	21.96%	71.9
90247	47,487	516	25.33%	74.67%	10.9
90248	9,947	970	28.16%	71.84%	97.5
90249	26,669	547	29.49%	70.51%	20.5
90250	93,193	837	35.49%	64.51%	9
90254	19,506	764	86.78%	13.22%	39.2
90255	75,066	477	52.38%	47.62%	6.4
90260	34,924	384	44.94%	55.06%	11
90262	69,745	344	39.32%	60.68%	4.9
90263	1,612	3	69.79%	30.21%	1.9
90265	18,116	650	89.12%	10.88%	35.9
90266	35,135	1,372	84.49%	15.51%	39
90270	27,372	130	52.00%	48.00%	4.7
90272	22,986	707	89.98%	10.02%	30.8
90274	25,209	729	73.49%	26.51%	28.9
90275	41,804	609	61.72%	38.28%	14.6
90277	35,293	1,024	79.48%	20.52%	29
90278	40,071	792	71.35%	28.65%	19.8
90280	94,396	495	50.47%	49.53%	5.2

90290	6,368	225	89.38%	10.62%	35.3
90291	28,341	1,095	76.98%	23.02%	38.6
90292	21,576	1,107	79.02%	20.98%	51.3
90293	12,132	264	76.00%	24.00%	21.8
90301	36,568	568	30.63%	69.37%	15.5
90302	29,415	294	20.37%	79.63%	10
90303	26,176	148	24.64%	75.36%	5.7
90304	28,210	184	38.11%	61.89%	6.5
90305	14,853	150	5.50%	94.50%	10.1
90401	6,722	988	75.65%	24.35%	147
90402	12,250	271	87.46%	12.54%	22.1
90403	24,525	1,071	83.17%	16.83%	43.7
90404	21,360	995	65.34%	34.66%	46.6
90405	27,186	1,197	79.46%	20.54%	44
90501	43,180	1,092	43.21%	56.79%	25.3
90502	18,010	323	34.55%	65.45%	17.9
90503	44,383	1,116	48.15%	51.85%	25.1
90504	32,102	366	41.34%	58.66%	11.4
90505	36,678	1,448	56.46%	43.54%	39.5
90601	31,974	396	61.38%	38.62%	12.4
90602	25,777	295	59.03%	40.97%	11.4
90603	20,063	222	74.21%	25.79%	11.1
90604	39,407	173	63.69%	36.31%	4.4
90605	40,331	318	59.93%	40.07%	7.9
90606	32,396	207	58.51%	41.49%	6.4
90623	15,554	240	36.95%	63.05%	15.4
90630	47,993	737	54.29%	45.71%	15.4
90631	67,619	807	60.03%	39.97%	11.9
90638	49,012	604	60.77%	39.23%	12.3
90640	62,549	710	53.82%	46.18%	11.4
90650	105,549	639	49.35%	50.65%	6.1
90660	62,928	425	59.44%	40.56%	6.8
90670	14,866	1,220	59.23%	40.77%	82.1
90701	16,591	419	38.95%	61.05%	25.3
90703	49,399	1,090	23.20%	76.80%	22.1
90704	4,090	97	63.77%	36.23%	23.7
90706	76,615	614	42.21%	57.79%	8
90710	25,457	247	41.86%	58.14%	9.7
90712	31,499	352	55.48%	44.52%	11.2
90713	27,925	188	69.30%	30.70%	6.7
90715	20,388	120	38.85%	61.15%	5.9
90716	14,184	89	45.21%	54.79%	6.3

90717	21,318	345	59.10%	40.90%	16.2
90723	54,099	658	42.49%	57.51%	12.2
90731	59,662	531	58.36%	41.64%	8.9
90732	21,115	223	72.94%	27.06%	10.6
90744	53,815	302	44.23%	55.77%	5.6
90745	57,251	400	26.61%	73.39%	7
90746	25,990	510	13.10%	86.90%	19.6
90755	11,074	483	42.10%	57.90%	43.6
90802	39,347	813	50.14%	49.86%	20.7
90803	32,031	758	82.44%	17.56%	23.7
90804	40,311	434	40.55%	59.45%	10.8
90805	93,524	418	31.20%	68.80%	4.5
90806	42,399	395	27.17%	72.83%	9.3
90807	31,481	669	48.93%	51.07%	21.3
90808	38,232	463	75.68%	24.32%	12.1
90810	36,735	213	27.40%	72.60%	5.8
90813	58,911	431	31.15%	68.85%	7.3
90814	19,131	261	67.44%	32.56%	13.6
90815	39,733	527	71.48%	28.52%	13.3
91001	36,126	488	48.69%	51.31%	13.5
91006	31,715	970	35.62%	64.38%	30.6
91007	34,095	617	31.96%	68.04%	18.1
91008	1,391	17	70.24%	29.76%	12.2
91010	26,074	268	51.55%	48.45%	10.3
91011	20,280	566	68.94%	31.06%	27.9
91016	40,598	776	59.91%	40.09%	19.1
91020	8,415	267	63.09%	36.91%	31.7
91024	10,917	223	82.14%	17.86%	20.4
91030	25,616	636	54.35%	45.65%	24.8
91040	20,372	258	75.55%	24.45%	12.7
91042	27,585	306	72.94%	27.06%	11.1
91101	20,460	1,095	52.91%	47.09%	53.5
91103	27,480	428	42.85%	57.15%	15.6
91104	36,751	454	60.27%	39.73%	12.4
91105	11,254	820	75.12%	24.88%	72.9
91106	24,229	570	56.23%	43.77%	23.5
91107	32,940	988	61.22%	38.78%	30
91108	13,361	409	41.75%	58.25%	30.6
91201	22,781	517	77.80%	22.20%	22.7
91202	22,830	526	75.40%	24.60%	23
91203	13,220	832	67.70%	32.30%	62.9
91204	16,032	614	59.92%	40.08%	38.3

91205	37,810	652	68.36%	31.64%	17.2
91206	33,065	498	71.41%	28.59%	15.1
91207	10,506	207	80.57%	19.43%	19.7
91208	16,245	386	76.56%	23.44%	23.8
91214	30,356	593	65.35%	34.65%	19.5
91301	25,488	1,128	84.97%	15.03%	44.3
91302	25,709	1,391	84.78%	15.22%	54.1
91303	26,855	661	48.62%	51.38%	24.6
91304	50,231	676	57.47%	42.53%	13.5
91306	45,061	356	49.15%	50.85%	7.9
91307	24,474	587	74.93%	25.07%	24
91311	36,557	1,534	65.97%	34.03%	42
91316	26,898	1,015	79.46%	20.54%	37.7
91321	34,882	516	64.92%	35.08%	14.8
91324	27,669	946	55.79%	44.21%	34.2
91325	32,417	543	57.75%	42.25%	16.8
91326	33,708	558	58.69%	41.31%	16.6
91330	2,702	0	41.89%	58.11%	0
91331	103,689	526	44.39%	55.61%	5.1
91335	74,363	844	53.78%	46.22%	11.3
91340	34,188	438	49.72%	50.28%	12.8
91342	91,725	643	49.94%	50.06%	7
91343	60,254	423	47.33%	52.67%	7
91344	51,747	838	63.07%	36.93%	16.2
91345	18,496	232	53.96%	46.04%	12.5
91350	33,348	575	74.68%	25.32%	17.2
91351	32,362	410	63.23%	36.77%	12.7
91352	47,807	774	51.93%	48.07%	16.2
91354	28,722	288	71.76%	28.24%	10
91355	32,605	1,517	76.70%	23.30%	46.5
91356	29,458	1,349	77.41%	22.59%	45.8
91361	20,438	1,178	86.74%	13.26%	57.6
91362	36,045	1,478	81.70%	18.30%	41
91364	25,851	1,622	81.16%	18.84%	62.7
91367	39,499	1,561	73.81%	26.19%	39.5
91381	20,158	317	63.26%	36.74%	15.7
91384	29,855	172	57.71%	42.29%	5.8
91387	40,328	342	61.57%	38.43%	8.5
91390	19,786	212	78.91%	21.09%	10.7
91401	39,285	720	65.28%	34.72%	18.3
91402	69,817	433	40.40%	59.60%	6.2
91403	23,484	1,482	79.39%	20.61%	63.1

91405	51,145	680	52.23%	47.77%	13.3
91406	51,558	1,153	56.03%	43.97%	22.4
91411	24,628	619	57.97%	42.03%	25.1
91423	30,991	1,190	80.00%	20.00%	38.4
91436	14,372	1,964	87.86%	12.14%	136.7
91501	20,849	249	76.33%	23.67%	11.9
91502	11,371	724	67.56%	32.44%	63.7
91504	24,939	531	71.37%	28.63%	21.3
91505	30,778	1,210	72.72%	27.28%	39.3
91506	18,904	646	73.80%	26.20%	34.2
91601	37,180	821	59.24%	40.76%	22.1
91602	17,473	606	76.80%	23.20%	34.7
91604	29,034	1,246	82.69%	17.31%	42.9
91605	56,343	901	48.92%	51.08%	16
91606	44,958	535	57.87%	42.13%	11.9
91607	27,927	691	75.84%	24.16%	24.7
91702	59,705	486	57.14%	42.86%	8.1
91706	76,571	699	44.15%	55.85%	9.1
91709	74,796	947	50.85%	49.15%	12.7
91710	80,358	1,671	56.74%	43.26%	20.8
91711	35,705	640	70.67%	29.33%	17.9
91722	34,409	272	54.32%	45.68%	7.9
91723	18,275	491	59.27%	40.73%	26.9
91724	26,184	323	62.17%	37.83%	12.3
91731	29,591	499	36.90%	63.10%	16.9
91732	61,386	310	39.14%	60.86%	5.1
91733	43,896	1,030	45.19%	54.81%	23.5
91740	25,356	420	68.77%	31.23%	16.6
91741	25,824	410	81.29%	18.71%	15.9
91744	85,040	502	48.59%	51.41%	5.9
91745	54,013	768	40.48%	59.52%	14.2
91746	30,485	506	51.54%	48.46%	16.6
91748	45,406	1,316	23.05%	76.95%	29
91750	33,249	472	74.16%	25.84%	14.2
91754	32,742	731	21.72%	78.28%	22.3
91755	27,496	215	16.58%	83.42%	7.8
91765	46,457	917	33.76%	66.24%	19.7
91766	71,599	520	46.07%	53.93%	7.3
91767	48,068	465	49.14%	50.86%	9.7
91768	34,537	362	50.19%	49.81%	10.5
91770	62,097	679	22.01%	77.99%	10.9
91773	33,119	736	71.87%	28.13%	22.2

91775	23,988	200	38.83%	61.17%	8.3
91776	38,475	770	20.50%	79.50%	20
91780	34,332	507	34.17%	65.83%	14.8
91789	43,079	1,324	26.40%	73.60%	30.7
91790	44,907	496	46.67%	53.33%	11
91791	32,414	373	49.89%	50.11%	11.5
91792	30,854	171	29.00%	71.00%	5.5
91801	52,735	698	27.38%	72.62%	13.2
91803	30,322	447	29.95%	70.05%	14.7
92397	4,894	37	90.54%	9.46%	7.6
92821	35,533	1,375	68.03%	31.97%	38.7
92823	3,613	63	57.93%	42.07%	17.4
93243	1,699	35	78.52%	21.48%	20.6
93510	7,993	119	84.10%	15.90%	14.9
93523	3,074	1	76.77%	23.23%	0.3
93532	2,932	18	84.31%	15.69%	6.1
93534	39,341	624	49.92%	50.08%	15.9
93535	72,046	303	46.82%	53.18%	4.2
93536	70,918	382	60.04%	39.96%	5.4
93543	13,033	32	60.09%	39.91%	2.5
93544	1,259	5	75.30%	24.70%	4
93550	74,929	363	45.59%	54.41%	4.8
93551	50,798	567	62.15%	37.85%	11.2
93552	38,158	97	44.54%	55.46%	2.5
93553	2,138	9	76.10%	23.90%	4.2
93560	18,910	56	62.53%	37.47%	3
93591	7,285	16	55.88%	44.12%	2.2
LA COUNTY:	10,220,918	184,027	50.66%	49.34%	18

[United States Census – 2010 Census Race By Zip Code (California), accessed [8/12/20](#)]; U.S. Small Business Administration, Paycheck Protection Program Loans under \$150,000 by State – California, Accessed [8/12/20](#); Accountable.US, COVIDBailoutTracker.com, Accessed [8/12/20](#)]

Scope Of Los Angeles County Zip Codes Determined Via The Official County Zip Code List. [County of Los Angeles – Zip Code List, [11/29/11](#)]

As Many Los Angeles Neighborhoods And Small Businesses Were Left Out Of The Program, PPP Aid Found Its Way To Celebrity Businesses And Large National Corporations

Los Angeles County Was Hit Especially Hard By COVID 19's Economic Impacts, Hitting The Highest Unemployment Rate Recorded For The County

May 2020: LA County's Unemployment Rate Hit 19.6-Percent Amidst COVID 19, A 19.6-Percent Unemployment Rate, Dwarfing The Previous Record Of 12.6-Percent. "L.A. County's unemployment rate

for April hit 19.6% amid Covid-related business closures and layoffs. Photo by California Employment Development Department [...] The state Employment Development Department reported on May 22 that L.A. County's April unemployment rate reached a modern record of 19.6%, far exceeding the statewide average of 15.5% and the national average of 14.7%, both record highs. It was the highest unemployment rate the county has experienced since record keeping began in the mid-1970s; the previous record was 12.6% in October 2010." [LA Business Journal, [6/1/20](#)]

A UCLA Economist Estimated Employment Figures Would Not Return To February 2020 Levels For As Long As Three Years. "It's no surprise that L.A.'s economy has been walloped by coronavirus-driven business shutdowns, but the extent of the damage and how much worse L.A. County has fared only became apparent with the release of data for April. [...] All this underscores that L.A. County has a steeper hill to climb than most regions as businesses begin to reopen. 'We may not see L.A. County employment numbers like those we saw in February until 2023 or even later,' said William Yu, economist with the UCLA Anderson Forecast. 'It could take our economy that long — three years — to rebound and reach full employment again.'" [LA Business Journal, [6/1/20](#)]

PPP Funds Were Received By Major Players In The World Of Entertainment, Such As Kanye West's Yeezy Brand, The Los Angeles Lakers, And LA Talent Agencies, Received Funds Through PPP

Deadline: Hollywood Talent Agencies Were Among The Recipients Of Forgivable Loans Under The PPP. "Hollywood talent agencies, law firms and production companies were among the recipients of loans under the Paycheck Protection Program, the massive program put in place by Congress to try to carry businesses and their employees through the COVID-19 crisis. Among the recipients of seven-figure loans were talent agencies APA and Gersh, as well as law firms including Glaser, Weil; Mitchell, Silberberg & Knupp; and Greenberg, Glusker. Also receiving a loan was accounting firm Green Hasson & Janks." [Deadline, [7/6/20](#)]

April 5, 2020: Los Angeles' Don Buchwald And Associates Inc. Received Up To \$1 Million In Forgivable PPP Loans.

43344 d \$350,000-1 million	DON BRANDEL PLUMBING, INC.	15100 TEX PARAMOL CA	90723	238220 Subchapt: Unanswer Male Own Non-Veteran	55	4/10/2020 American CA - 40
43345 d \$350,000-1 million	DON BUCHWALD & ASSOCIATES INC., PACIFIC	5900 WILS LOS ANGE CA	90036	711410 Subchapt: White Male Own Non-Veteran	53	4/5/2020 City Natio CA - 28
43346 d \$350,000-1 million	DON BUCHWALD & ASSOCIATES INC., PACIFIC	15727 AMB IRVINE CA	92614	433440 Subchapt: Unanswer Male Own Non-Veteran	55	4/10/2020 American CA - 40

[U.S. Small Business Administration, accessed [07/08/20](#)]

- **Don Buchwald Was The Personal Agent Of Howard Stern, And Helped Him Secure A \$90 Million Deal With Sirius XM.** "Don Buchwald — or 'superagent Don Buchwald,' as he is known to listeners of 'The Howard Stern Show' — was giving a nostalgic tour of the Friars Club on a Thursday night last month. [...] Mr. Stern is the only client whom Mr. Buchwald personally represents — in 2015 he secured him a deal with Sirius XM satellite radio that is estimated to be worth some \$90 million a year." [New York Times, [1/24/18](#)]

Yeezy Was Kanye West's Apparel Brand, Worth Approximately \$3 Billion. "He may be a self-proclaimed 'Christian Genius Billionaire,' but Kanye West is catching flak after his Yeezy apparel brand applied for government assistance to weather the coronavirus crisis. [...] While some very small companies struggled to access aid from the program, especially early on, West's \$3 billion streetwear brand is one of several companies with wealthy or well-connected owners to receive loans from the program." [CNN, [7/9/20](#)]

- **Yeezy Received Up To \$5 Million Through The PPP.** [Accountable.US, COVIDBailoutTracker.com, Accessed [8/14/20](#)]

The Los Angeles Lakers Received Approximately \$4.6 Million In PPP Funds, Subsequently Returning The Money. "The Los Angeles Lakers have returned approximately \$4.6 million that they received from a federal government program intended to help small businesses weather the economic burden caused by the coronavirus pandemic, the team said in a statement to ESPN on Monday. The Lakers, one of the NBA's most profitable franchises, applied for relief through the Small Business Administration's Paycheck Protection Program, and were among the companies and nonprofits granted loans during the first round of distributions." [ESPN, [4/27/20](#)]

Buchwald And Associates Represented Actors On “Stranger Things,” “Orange Is The New Black,” And “The Handmaid’s Tale.” “An agency with name recognition, Buchwald offers representation for commercial, print, digital and branded lifestyle, film, TV, theater, literary, social media influencers, sports, and voiceover, as well as to stalwart Hollywood names including Kirstie Alley and Blythe Danner. But even if you don’t know their names, most of the actors currently repped here have landed parts on majorly successful projects: Francesca Reale (‘Stranger Things,’ represented by Leslie Zaslower), Taryn Manning (‘Orange Is the New Black’), O-T Fagbenle (‘The Handmaid’s Tale,’ represented by Julia Buchwald), Shanola Hampton (‘Shameless,’ represented by Jason Hyman), Rachel Nichols (‘Continuum,’ represented by Ryan Martin), Kimiko Glenn (‘Spider-Man: Into the Spider-Verse,’ represented by Leslie Zaslower), and Andrea Navedo (‘Jane The Virgin,’ represented by Sheree Cohen) to name a few.” [Backstage, [2/11/20](#)]

A Profitable National Health Services Firm, Headquartered In Los Angeles, Received Over \$4 Million In PPP Funding—Despite A Self-Reported Employee Count Of 8,498 Employees

April 2020: RadNet, Inc. Received \$4,023,000 In PPP Funding Across All Subsidiaries. “The decrease in salaries expense was a result of staff furloughs and salary reductions initiated in response to the COVID-19 crisis. To support our current operations, certain of our subsidiaries have accepted approximately \$4.0 million in loans from the Paycheck Protection Program (PPP).” The amount was listed as \$4,023,000 on page 23.” [SEC – RadNet, Inc. 10-Q, [8/10/20](#)]

RadNet, Inc. Was A National Diagnostic Imaging Service, Headquartered In Los Angeles. RadNet, Inc. listed 1510 Cotner Avenue Los Angeles, California 90025 as the “Address of principal executive offices.” In a 10-Q, they wrote, “We are a national provider of freestanding, fixed-site outpatient diagnostic imaging services with operations in six U.S. states. At June 30, 2020, we operated directly or indirectly through joint ventures with hospitals, 332 centers located in California, Delaware, Florida, Maryland, New Jersey, and New York.” [SEC – RadNet, Inc. 10-Q, [8/10/20](#)]

2019: RadNet, Inc. Had 6,165 Employees And 96 Full-Time Contractors. “At December 31, 2019, we had a total of 6,165 full-time, 616 part-time and 1,717 per diem employees, including those employed by the consolidated medical group. These numbers include 144 full-time and 40 part-time physicians and 2,033 full-time, 412 part-time and 1,129 per-diem technologists. In addition to our company personnel, we contract 96 full-time physicians through a relationship with Envision Healthcare.” [SEC – RadNet, Inc. 10-K, [3/16/20](#)]

2019: RadNet, Inc. Made Nearly \$14.8 Million In Profits. On page 34, “Net income attributable to RadNet common stockholders” was listed as \$14,756,000. [SEC – RadNet, Inc. 10-K, [3/16/20](#)]

BUFFALO: PPP Aid Was Inequitably Distributed In Buffalo

SUMMARY: On April 3, 2020, the Small Business Administration (SBA) [announced the Paycheck Protection Program](#) (PPP), claiming it would “bring immediate economic relief and eight weeks of financial certainty to millions of small businesses and their employees.” The Buffalo region has subsequently received 7,812 loans. But, [tracking with a national trend](#), relief in the Buffalo region has not been equally distributed. Additionally, several bad actors made off with program funds.

An analysis of zip codes in the Buffalo region showed racial disparities in where loans were awarded. The zip code with the largest African-American population in Buffalo received the smallest number of loans. Meanwhile, almost one-fifth of the total loans given out to the area went to a zip code with a 92.8-percent white population (and only 2-percent African American). These results [mirror nationwide racial disparities](#) in the disbursement of PPP funds.

Additionally, PPP funds in Buffalo still found their way to a number of controversial entities. Major Buffalo business New Era Cap Co. received up to \$10 million in PPP funding – but still wound up [laying off 117 workers, nearly a third of its Buffalo-area workforce, in July](#). Controversial local politician Carl Paladino – [who made offensive comments about Michelle Obama in December 2016](#), saying she should “return to

being a male” and should be “let loose in the outback of Zimbabwe,” and was [expelled from the Buffalo school board for leaking confidential information](#) – received [two loans](#) through his real estate company. And disgraced former Congressman Chris Collins, [who resigned in the wake of securities fraud charges](#), was connected to two loans: Volland Electric was headed by a friend of Collins, who had [traveled to the White House with Collins](#) in the past and [had his home searched in connection with the insider trading probe](#); and to Audobon Machinery Corporation, where [Collins had been listed on their corporate board](#) as of his last personal financial disclosure.

The Paycheck Protection Program Was Launched As A Lifeline For Small Businesses Amidst COVID-19, With The Goal Of Preventing Layoffs

April 3, 2020: Small Business Administration (SBA) Launched The Paycheck Protection Program (PPP), A Fund Designed For Small Businesses Struggling To Meet Expenses During The COVID-19 Pandemic. “The U.S. Small Business Administration Administrator Jovita Carranza today launched the Paycheck Protection Program, a \$349 billion emergency loan program created last week with the President’s signing of the Coronavirus Aid, Relief, and Economic Security Act (CARES). The program provides forgivable loans up to \$10 million to small businesses left financially distressed by the Coronavirus (COVID-19) pandemic. The loans, which will be administered at the local level by a national network of banks and credit unions, are designed to maintain the viability of millions of small businesses struggling to meet payroll and day-to-day operating expenses.” [Small Business Administration – Press Release, [4/3/20](#)]

A Zip Code Analysis Of Buffalo Showed Areas With High Black Populations Received Less PPP Loans

Zip Codes With Higher Black Populations In Buffalo Received Less PPP Loans On Average.

Key Points:

- Buffalo zip codes received 7,812 PPP loans.
- The zip code with the heaviest black population in Buffalo, 14208 (just under 85-percent), received the smallest number of PPP loans in total among populated zip codes (43 out of 7,812) and ranked last in terms of loan per population (roughly .0033 loans per person).
- Almost one fifth (19.8-percent) of loans in Buffalo went to the zip code 14221, which was 92.8-percent white and only 2-percent black.
- 14203, at 66.4-percent black, stood as an outlier in the data; it received .32 loans per person, partly owed to being the smallest zip code in the Buffalo area.

Data:

ZIP	Total Pop	#Loans	%Black	%White	Loans/Pop
14201	13,609	124	44.73%	44.73%	0.009111617312
14202	4,136	471	33.90%	61.03%	0.1138781431
14203	1,009	318	66.40%	26.66%	0.3151635282
14204	10,040	120	75.13%	18.33%	0.01195219124
14205	N/A	8	N/A	N/A	N/A
14206	22,988	232	9.23%	88.40%	0.01009222203
14207	22,986	252	6.36%	84.29%	0.01096319499
14208	13,207	43	84.95%	11.71%	0.003255849171
14209	8,547	156	50.40%	45.08%	0.01825201825
14210	16,681	150	3.11%	92.50%	0.008992266651

14211	29,590	118	71.47%	24.48%	0.003987833728
14212	15,364	72	45.11%	50.49%	0.004686279615
14213	26,080	202	18.42%	55.39%	0.007745398773
14214	21,860	215	37.49%	55.76%	0.009835315645
14215	44,484	216	72.25%	22.75%	0.004855678446
14216	23,587	280	9.70%	84.85%	0.01187094586
14217	24,692	320	1.07%	96.83%	0.01295966305
14218	20,203	150	9.02%	84.85%	0.007424639905
14219	13,050	140	0.70%	96.91%	0.01072796935
14220	26,550	126	0.99%	95.04%	0.004745762712
14221	51,448	1,546	2.12%	92.81%	0.03004975898
14222	14,365	197	13.74%	79.05%	0.01371388792
14223	24,094	190	1.36%	96.06%	0.007885780692
14224	40,509	560	0.47%	98.14%	0.01382408847
14225	35,893	450	2.20%	95.92%	0.01253726353
14226	29,382	545	5.88%	87.98%	0.01854877136
14227	24,573	211	1.69%	96.23%	0.008586660155
14228	19,713	400	5.72%	84.80%	0.02029117841
TOTAL:	598,640	7,812			

[United States Census, accessed [7/23/20](#); U.S. Small Business Administration, [Paycheck Protection Program Loans under \\$150,000 by State – New York](#), Accessed 8/3/20; Accountable.US, [COVIDBailoutTracker.com](#), Accessed 8/3/20]

PPP Loan Recipients In Buffalo Included A Company Which Subsequently Laid Off Workers, And Companies Connected To A Disgraced Former Congressman, And A Former Buffalo School Board Member Who Made Racist Comments And Revealed Confidential Information

New Era Cap Company Received Millions From The PPP To Protect Jobs – Then Laid Off A Third Of Its Workforce In Western New York

April 15, 2020: New Era Cap Co., Inc. Received A Forgivable PPP Loan In The Amount Of \$5,000,000 To \$10,000,000.

11719 a \$5-10 million	NEW ERA CAP CO., INC.	160 DELAN BUFFALO NY	14202	424320 Subcaptr Unanswer Unanswer Unanswered	488	4/15/2020 S & T Bank NY - 26
11721 a \$5-10 million	HODGSON RUSS LLP	140 Pearl BUFFALO NY	14202	541110 Partnersh Unanswer Unanswer Unanswered	364	4/10/2020 KeyBank NY - 26

[U.S. Small Business Administration, accessed [07/23/20](#)]

July 2020, Buffalo News: New Era Cap Planned To Layoff 117 Buffalo-Area Employees (Out Of 350).

“New Era Cap is laying off one-third of its Western New York workforce and bringing the rest of its U.S. staff back from furlough. An executive from New Era confirmed to The News that the company is laying off 187 employees, 117 of whom worked at its Buffalo headquarters. New Era formerly had 350 employees in Buffalo and 600 across the United States, where it also has offices in New York City, Miami and Irvine, Calif. At the beginning of 2020, the company had 1,230 employees around the world.” [The Buffalo News, [7/7/20](#)]

Two PPP Loans Were Linked To Entities Owned By Carl Paladino, Former Gubernatorial Candidate Who Was Ejected From A School Board Position And Had Made Racist Remarks

Carl Paladino Was Removed From The Buffalo School Board For Revealing Confidential Information About Contract Negotiations. “Carl Paladino, once a Republican candidate for governor of New York, was

removed from the Buffalo school board on Thursday by the state education commissioner for revealing confidential information about collective bargaining negotiations with the city's teachers union. [...] The board went on to ask the State Education Department to remove him — but not for his inflammatory remarks. The board said he should lose his post because in a separate article he wrote for Artvoice he revealed confidential information about contract negotiations that had been discussed and approved in the fall.” [New York Times, [8/17/17](#)]

In December 2016, Paladino Made Headlines With A Comment That Michelle Obama Should “Return To Being A Male” And “Let Loose In The Outback Of Zimbabwe.” “Carl Paladino, once a Republican candidate for governor of New York, was removed from the Buffalo school board on Thursday by the state education commissioner for revealing confidential information about collective bargaining negotiations with the city's teachers union. In December, Mr. Paladino made national headlines for racist remarks about Barack and Michelle Obama that he sent a local publication called Artvoice. Asked in a survey what he'd like to see 'go away in 2017,' Mr. Paladino said, among other things, that he would like to see Mrs. Obama 'return to being a male and let loose in the outback of Zimbabwe where she lives comfortably in a cave with Maxie, the gorilla.” [New York Times, [8/17/17](#)]

Ellicott Development, The Firm Owned By Paladino, Was Connected 10 Ellicott Square Court Corporation And 6428 Group, Inc. “Ellicott Development, the real estate firm owned by Carl Paladino, received between \$2.15 million and \$5.35 million in PPP loans through two business entities. 10 Ellicott Square Court Corporation, which received a loan of between \$2 million and \$5 million operates the Ellicott Square Building, where Ellicott Development has its headquarters. 6428 Group, Inc., which received a loan of between \$150,000 and \$350,000, operates the MKT Kitchen restaurant.” [Eyes on the Ties, [7/15/20](#)]

April 28, 2020: 6428 Group, Inc. Received A Forgivable PPP Loan In The Amount Of \$150,000 To \$350,000.

1386 e \$150,000-350,000	HH JAMESTOWN LLC	10 Lafayette BUFFALO NY	14203	721110 Limited Lj Unanswer Unanswer Unanswerd	51	4/12/2020 Evans Ban NY - 26
1387 e \$150,000-350,000	6428 GROUP, INC	295 Main BUFFALO NY	14203	722511 Subchapter Unanswer Unanswer Unanswerd	12	4/28/2020 Northwes NY - 26

[Accountable.US, COVIDBailoutTracker.com, Accessed [7/31/20](#)]

April 16, 2020: 30 Ellicott Square Court Corporation Received A Forgivable PPP Loan In The Amount Of \$2,000,000 To \$5,000,000.

1297 b \$2-5 million	BUFFALO HEARING AND SPEECH CENTER, INC.	30 E. NORTH BUFFALO NY	14203	483410 Non-Profit Unanswer Unanswer Unanswerd	428	4/10/2020 KeyBank F NY - 26
1298 b \$2-5 million	10 ELlicott SQUARE COURT CORPORATION	295 Main BUFFALO NY	14203	531120 Corporati Unanswer Unanswer Unanswerd	499	4/16/2020 Northwes NY - 26
1500 b \$150,000-350,000	6428 GROUP, INC	295 Main BUFFALO NY	14203	722511 Subchapter Unanswer Unanswer Unanswerd	771	4/12/2020 KeyBank F NY - 26

[Accountable.US, COVIDBailoutTracker.com, Accessed [7/31/20](#)]

Two Businesses Connected To Former Representative Chris Collins, Including One Probed In Relation To His Securities Fraud Charges, Received PPP Funding

September 2019: Chris Collins Resigned From Congress In The Wake Of A Guilty Plea On Securities Fraud. “Representative Chris Collins, a fourth-term Republican from Western New York who narrowly won re-election last year despite fighting federal securities fraud charges, resigned on Monday in advance of an expected guilty plea. Mr. Collins, 69, the first sitting member of Congress to endorse President Trump in 2016, had been accused of using private information about a drug company in which he was invested to help his son and others avoid financial losses.” [New York Times, [9/30/19](#)]

April 15, 2020: Volland Electric Equipment Corporation Received A Forgivable PPP Loan In The Amount Of \$150,000 To \$350,000.

2539 d \$150,000-350,000	PERFORMING SERVICES, LLC	373 Loring BUFFALO NY	14227	063110 Limited Lj Unanswer Unanswer Unanswerd	81	4/10/2020 KeyBank F NY - 26
2540 d \$350,000-1 million	VOLLAND ELECTRIC EQUIPMENT CORP	75 INNSBURG BUFFALO NY	14227	811310 Subchapter Unanswer Unanswer Unanswerd	22	4/15/2020 Citizens B NY - 26

[Accountable.US, COVIDBailoutTracker.com, Accessed [7/31/20](#)]

- **2019: The President Of Volland Electric, Christopher Graham, Had His House Searched In Connection With The Probe Into Then-Representative Chris Collins.** “Federal agents last summer searched the Lake View estate of a well-known Buffalo developer as part of the insider trading probe into Rep. Chris Collins. [...] A month before Collins was arrested, federal agents obtained a warrant to search

the upscale Williamsville home of Christopher Graham, president of Volland Electric, a company in which Collins owns a stake.” [WKBW, [6/26/19](#)]

- **2019: Volland Electric’s President Christopher Graham Was Photographed On The White House Lawn With Representative Collins, President Trump, And Melania Trump.** “Gerry Buchheit is one of Collins' campaign donors and is planning to build a luxury skyscraper on Buffalo's Outer Harbor. [...] A month before Collins was arrested, federal agents obtained a warrant to search the upscale Williamsville home of Christopher Graham, president of Volland Electric, a company in which Collins owns a stake. Both men were photographed on the White House lawn with Collins, President Donald J. Trump and First Lady Melania Trump in 2017 -- on the same day the Congressman learned of the failed drug trial for Innate Immunotherapeutics.” [WKBW, [6/26/19](#)]

April 15, 2020: Audobon Machinery Corporation Received A Forgivable PPP Loan In The Amount Of \$150,000 To \$350,000.

840 e \$150,000-\$350,000	VAL-KRO INDUSTRIAL PLATING, INC.	309 River NORTH TC NY	14120	332813	Subchapter Unanswer Male Own Unanswered	13	4/28/2020	KeyBank NY - 26
841 e \$150,000-\$350,000	AUDUBON MACHINERY CORPORATION	814 Wurli NORTH TC NY	14120	333249	Subchapter Unanswer Unanswer Unanswered	30	4/15/2020	Evans Ban NY - 26
843 a \$150,000-\$350,000	ALTERNATIVE FINISHER OF WESTERN NEW YORK INC	105 Main NORTH TC NY	14120	333130	Subchapter Unanswer Unanswer Unanswered	16	4/11/2020	KeyBank NY - 26

[Accountable.US, COVIDBailoutTracker.com, Accessed [7/31/20](#)]

- **Collins Listed Himself As A Member Of Audobon Machinery Corporation’s Board In His 2018 Personal Financial Disclosure.** “According to Collins' latest personal financial disclosure report, he still served on the boards of two privately held firms: Audubon Machinery Corp., a North Tonawanda maker of oxygen systems for the health care industry as well as other products; and Volland Electric Equipment Corp., of Cheektowaga. Both companies could conceivably have some interest in the activities of the House Energy and Commerce Committee, the panel Collins served on until he was barred from House committees after his arrest.” [The Buffalo News, [7/25/19](#)]