

OFFICE OF PERFORMANCE MANAGEMENT & OVERSIGHT

FISCAL 2012 ANNUAL REPORT

The Office of Performance Management & Oversight (OPMO) measures the performance of all public and quasi-public entities engaged in economic development. All agencies are required to submit an Annual Report. The annual reports of each agency will be published on the official website of the Commonwealth, and be electronically submitted to the clerks of the senate and house of representatives, the chairs of the house and senate committees on ways and means and the house and senate chairs of the joint committee on economic development and emerging technologies.

1) AGENCY INFORMATION

Agency Name	Massachusetts Business Development Corp		
Agency Head	Kenneth J. Smith	Title	President
Website	www.bdcnewengland.com		
Address	500 Edgewater Drive, Suite 555, Wakefield, MA 01880		

2) MISSION STATEMENT

Please include the Mission Statement for your organization below.

Capital Access is a loan guaranty program designed to target main street businesses in Massachusetts with working capital and expansion financing to grow companies and improve employment opportunities in participation with community banks throughout the Commonwealth.

3) OPERATIONS AND ACCOMPLISHMENT DETAILS

Please provide details on the agency's operations and accomplishments for Fiscal Year 2012 as **Attachment A**. Questions 5 through 10 will provide guidance on the type of information required under Chapter 240 of the Acts of 2010.

4) ACCOUNTING

Please provide financial information for your agency. Below please give a summary of *Receipts and Expenditures* during the fiscal year, and include the *Assets and Liabilities* at the end of the fiscal year.

Please include the most recent audited financial report for the agency as **Attachment B**.

	AMOUNT
Receipts	\$ see attached report
Expenditures	\$
Assets	\$
Liabilities	\$

5) INVESTMENTS OR GRANTS TO BUSINESSES OR INDIVIDUALS

Does your agency make **investments** and/or provide **grants** to businesses or individuals? **Yes** **No** **X**
If **Yes**, please provide detailed information on investments and/or grants made during FY12 in the Operations and Accomplishments Section of this report. Information should include the number, nature and amounts of investments made and grants awarded by your agency along with job, investment and/or other economic development impact. Please list the name(s) of the investment and/or grant programs offered by your agency in the space provided below:

[Please enter the investment or grant details here.]

6) DEBT OR EQUITY INVESTMENT DETAILS

Is your agency involved in **debt** or **equity investments** for businesses? **Yes** **No** **X**
If **Yes**, please provide detailed information on debt and/or equity investments made during FY12 in the Operations and Accomplishments Section of this report along with job, investment and/or other economic development impact. Please list the name(s) of the debt and/or equity investments programs offered by your agency in the space provided below:

[Please enter the debt or equity investment details here.]

7) LOAN DETAILS

Is your agency involved in **real estate loans**, **working capital loans**, or any **other type of loan** or **guarantee**? **Yes** **X** **No**
If **Yes**, please provide detailed information on loan(s) and/or guarantee(s) made during FY12 in the Operations and Accomplishments Section of this report along with job, investment and/or other economic development impact. Please list the types of loan(s) and/or guarantee(s) offered by your agency in the space provided below:

SEE ATTACHMENT C see attachment

8) OTHER FORMS OF FINANCING OR FINANCIAL ASSISTANCE?

If your agency provides any other form of financing or financial assistance please include FY12 details in the Operations and Accomplishments Section of this report along with job, investment and/or other economic development impact. Please list the types of other forms of financing offered by your agency in the space provided below: n/a

[Please include detail on the other forms of financing or financial assistance the Agency provides here.]

9) PATENTS OR PRODUCTS

Does your agency track **patents** or **products** resulting from agency-funded activities? Yes No X
If **Yes**, please include details in the Operations and Accomplishments Section of this report along with job, investment and/or other economic development impact. Please list the agency-funded activities of your agency that promote patent and product advancement in the space provided below:

[Please enter the details on patents or products here.]

10) TECHNICAL ASSISTANCE

If your agency provides technical assistance, please provide detailed information on technical assistance provided during FY12 in the Operations and Accomplishments Section of this report along with job, investment and/or other economic development impact. Please list the name(s) of the technical assistance programs offered by your agency in the space provided below: n/a

[Please enter the details on patents or products here.]

PLEASE NOTE:

THE FISCAL YEAR 2013 ANNUAL REPORT WILL REQUIRE DETAILS OF ABOVE MENTIONED CATEGORIES AS WELL AS PERFORMANCE TO PLAN AS OUTLINED IN YOUR AGENCY'S FISCAL 2013 BUSINESS PLAN. THE OFFICE OF PERFORMANCE MANAGEMENT AND OVERSIGHT WILL ANNUALLY RE-EVALUATE THE GOALS AND MEASURES ESTABLISHED BY THE AGENCIES. THE OFFICE WILL RECOMMEND CHANGES TO GOALS AND MEASURES AS ARE APPROPRIATE TO ALIGN WITH THE STATEWIDE ECONOMIC DEVELOPMENT POLICY AND PLAN.

FILING INSTRUCTIONS:

THE FISCAL YEAR 2012 REPORT IS DUE NO LATER THAN MONDAY, OCTOBER 1ST. AN ELECTRONIC COPY OF THE REPORT AND ATTACHMENTS A & B SHOULD BE E-MAILED TO ROB.ANDERSON@STATE.MA.US. THE OFFICE OF PERFORMANCE MANAGEMENT AND OVERSIGHT WILL REVIEW REPORTS PRIOR TO FILING WITH LEGISLATURE AND POSTING TO THE WEBSITE.

ATTACHMENT A

October 5, 2012

To: Ms. Anne Struthers
Massachusetts Office of Business Development

From: Joseph O'Garro
Director of Capital Access Program (CAP)

Re: CAP Fiscal Year 2012 Summary Report

Dear Ms. Struthers,

I offer the following statistics for the year beginning July 1, 2011 and ending June 30, 2012:

1. A total of 227 loans were enrolled in the program compared to 163 loans for the prior year or a 39% increase. The enrolled amount was \$10,864,000 versus \$7,402,000.
2. 42 of these loans were to companies in the specially targeted gateway cities and towns.
3. A total of 18 claims totaling \$394,921 were paid in 2012.
4. Eight new banks came on board during the year to bring our number up to 81.

We do anticipate that 2013 will be another strong year for the CAP program as we continue to increase our bank participants resulting in increased loan enrollments.

Our marketing plan will continue to promote CAP with banks helping small businesses to create and retain jobs in Massachusetts.

Please see the attached exhibits for further detail.

Very truly yours,

Joseph O'Garro

Attachment B - Budget

Date: June 15, 2011

To: Deborah Shufrin, Director
Diana P. Salemy, Chief Financial Officer
Department of Business & Technology

From: Joseph O'Garro
Director, Capital Access Program

Subject: Budget for Capital Access Program
Period of July 1, 2011-June 30, 2012

The following budget is submitted in accordance with Section 3 of Attachment "B" of the contract between the Massachusetts Office of Business Development and the Massachusetts Business Development Corporation. The total Budget for FY 2011 was \$422,800.

ITEM	BUDGET 2010- 2011	BUDGET 2011- 2012	
Personnel:	\$234,800.00	\$234,800.00	Same
PR/Marketing	\$0.00	\$0.00	included in overhead
Pubs/Broc.:	\$0.00	\$2,000.00	Increased based on last year's purchase
Transportation Expense	\$17,000.00	\$14,000.00	Decreased, funds applied to pubs/brochures and computer
Travel Expense	\$2,000.00	\$2,000.00	Same
Computer	\$11,000.00	\$12,000.00	Increase in consultant's contract
Legal/Acctg.	\$0.00	\$0.00	included in overhead
Dev./Education	\$0.00	\$0.00	Included in overhead
Overhead	\$158,000.00	\$158,000.00	Same
Totals:	\$422,800.00	\$422,800.00	Same

Attachment B - Actual

**Capital Access
FY2011 Budget**

	Budget	July	August	September	October	November	December	January	February	March	April	May	June	Total	Balance
Personel	\$237,296.24	\$19,145.07	\$19,145.07	\$19,145.07	\$19,145.07	\$19,145.07	\$19,145.07	\$20,754.63	\$20,754.63	\$20,754.63	\$20,732.34	\$19,718.70	\$19,710.89	\$237,296.24	\$0.00
P/R Marke	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Public/Broc	\$2,163.25	\$0.00	\$0.00	\$0.00	\$1,127.31	\$0.00	\$0.00	\$0.00	\$0.00	\$1,035.94	\$0.00	\$0.00	\$0.00	\$2,163.25	\$0.00
Car Expen:	\$12,287.01	\$963.30	\$1,020.98	\$938.28	\$992.19	\$1,080.12	\$979.55	\$903.12	\$1,203.70	\$1,017.53	\$1,174.36	\$1,007.02	\$1,006.86	\$12,287.01	\$0.00
Travel	\$1,655.67	\$0.00	\$328.80	\$18.70	\$462.27	\$0.00	\$57.80	\$0.00	\$314.60	\$0.00	\$363.85	\$109.65	\$0.00	\$1,655.67	\$0.00
Computer	\$14,475.00	\$0.00	\$225.00	\$3,000.00	\$3,000.00	\$0.00	\$0.00	\$3,000.00	\$1,950.00	\$0.00	\$3,000.00	\$300.00	\$0.00	\$14,475.00	\$0.00
Legal/Accc	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Dev Educ	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Overhead	\$154,922.83	\$13,166.67	\$13,166.67	\$13,166.67	\$13,166.67	\$13,166.67	\$13,166.67	\$13,166.67	\$13,166.67	\$13,166.67	\$13,166.67	\$13,166.67	\$10,089.46	\$154,922.83	\$0.00
Total	\$422,800.00	\$33,275.04	\$33,886.52	\$36,268.72	\$37,893.51	\$33,391.86	\$33,349.09	\$37,824.42	\$37,389.60	\$35,974.77	\$38,437.22	\$34,302.04	\$30,807.21	\$422,800.00	\$0.00

LOAN DETAILS
JULY-DEC 2011

Enrolled
Amount

Peter Gormley	New England Waterproofing	Fidelity Bank	\$150,000	\$3,000,000	2	25	7/8/2011
Katrina D. Hawley	The Pilates Studio, Inc	Florence Savings Bank	\$34,428	\$126,005	0	4	7/8/2011
Carl M. Scharzenbach		Westfield Bank	\$5,000	\$41,000	1	7	7/8/2011
Stephen Rogers	S & B Transport, LLC	Pentucket Bank	\$50,000	\$1,037,425		6	7/14/2011
Kimberly Agostino	Enterprise Flooring, Inc.	Rockland Trust Company	\$25,000	\$1,041,960	3	10	7/14/2011
John Ferranti	Ferranti Plumbing & Heating	Mayflower Bank	\$10,000	\$581,000	3	2	7/18/2011
Kenneth L. Kostka	K.L.K. Enterprises, Inc	Mutual Federal Savings Bank	\$125,000	\$875,000	0	2	7/18/2011
Derek Brigham	Northeast Permit Service, Inc	Bay State Savings Bank	\$50,000	\$486,809	2	3	7/21/2011
Dinesh Wadhvani	ThinkLite, LLC	Framingham Co-operative Bank	\$25,000	\$24,000		3	7/21/2011
Andrew Czyoski		Seamen's Bank	\$16,000	\$39,000	1	1	7/21/2011
Travis Grandon	The Happy Taco	First National Bank of Ipswich	\$17,000	\$82,445	0	2	7/26/2011
Roger H. Eaton	Eaton Cleaners, Inc.	Sovereign Bank New England	\$15,000	\$300,000		3	7/26/2011
Denzel J. Hankinson	DH Infrastructure, LLC	Florence Savings Bank	\$25,000	\$177,292		4	8/4/2011
Denzel J. Hankinson	DH Infrastructure, LLC	Florence Savings Bank	\$25,000	\$177,292		4	8/4/2011
Gina Marie Hanlon-Cavicchi	Gina Marie Hanlon, D.C., P.C.	Mayflower Bank	\$22,500	\$175,000	1	5	8/4/2011
Gina Marie Hanlon-Cavicchi	Gina Marie Hanlon, D.C., P.C.	Mayflower Bank	\$20,000	\$175,000	1	5	8/4/2011
Timothy R. Levesque	Levesque's Landscaping	Mechanics Cooperative Bank	\$60,000	\$138,460		3	8/4/2011
Claire A. Duffy	Miss Kay's School of Dance	Mutual Federal Savings Bank	\$50,000	\$65,255		1	8/4/2011
Marguerite Canada	Houser Fitness Corp.	Mutual Federal Savings Bank	\$25,000	\$593,495		1	8/4/2011
Colm O'Shea	JRF Corp.	Needham Bank	\$60,000	\$1,800,000		6	8/4/2011
Matthew Burke	Plymouth Auto Sales	Weymouth Bank	\$1,000	\$0	0	1	8/4/2011
Melissa J. Medeiros	Unique Steps Dance Academy	Mechanics Cooperative Bank	\$15,000	\$79,058	3	2	8/11/2011
Mark Dinino	American Kempo Karate Academy	South Shore Savings Bank	\$10,000	\$340,000		6	8/11/2011
Thomas L. Supple	Classic Kitchens, Inc	South Shore Savings Bank	\$10,000	\$700,000		2	8/11/2011
Dennis O'Connell	O'Connell Insurance Group LLC	Weymouth Bank	\$10,000	\$970,648		6	8/11/2011
Peter Bowman	Sweet Meadow Farm	Avidia Bank	\$10,000	\$32,400		2	8/17/2011
Herminion F. Gomes	Sharp Cleaning Corporation	Bay State Savings Bank	\$291,000	\$2,403,272	0	30	8/19/2011
Mark Pollard	Bread Euphoria, LLC	Berkshire Bank	\$10,000	\$962,000	0	13	8/19/2011
Pat Pettit	MJT Holding, LLC	Hoosac Bank	\$72,100	\$81,900		69	8/19/2011
Tory J. Chlanda	Lawn Jockey, Inc	Florence Savings Bank	\$15,000	\$283,872		6	8/29/2011
Hugh C. Fuentes	Karpet Klean	South Shore Savings Bank	\$5,000	\$72,000		2	8/29/2011
Cynthia P. Gray	Just Dairy, LLC	Cape Ann Savings Bank	\$21,456	\$212,000		1	9/6/2011
Hector Aldrich	HRA, Inc	Clinton Savings Bank	\$41,400	\$636,949		4	9/6/2011
Seth Hockart-Lotz	Milltowne Pizza, Inc.dba Domino's Pizza	Mechanics Cooperative Bank	\$75,000	\$1,288,674		21	9/6/2011
Aldo Paier	Westside Design	Westfield Bank	\$5,000	\$100,000		1	9/6/2011
Ronald P. Smith	Garage Doors Unlimited, LLC	Fidelity Bank	\$25,000	\$659,000		4	9/13/2011
Mohamed A. Mohamed	Il Forno V, Inc	Avidia Bank	\$150,000	\$1,031,937	0	20	9/19/2011
Bhargav I. Gajjar	Vishwa Robotics and Automation, LLC	Cambridge Trust Company	\$50,000	\$70,000		1	9/19/2011
Cory St. Pierre	Riverside Plumbing & Heating, LLC	Pentucket Bank	\$25,000	\$60,000		1	9/19/2011
Mary L. Garrett	Flowers by Mary, Inc	Seamen's Bank	\$28,100	\$144,120		2	9/19/2011
Monique St. Germain	Interiors by Monique, Inc	Needham Bank	\$5,000	\$275,000		1	9/22/2011
C. Michael Davidowicz	Crescent Farms, LLC	Pentucket Bank	\$22,500	\$553,000	0	3	9/28/2011
Dean Borders	DKorp Enterprises, Inc	Salem Five Bank	\$75,000	\$200,000	12	5	9/28/2011
Eleanor Girardin	Ellie's Pet Barn, Inc	Bay State Savings Bank	\$25,000	\$716,714	1	4	9/29/2011
Gary L. Glenn	GLG Corp./SBC Realty, LLC	Florence Savings Bank	\$150,000	\$2,617,295		95	10/3/2011

Thomas M. Belmont, Jr	Elevate Experts	Rockland Trust Company	\$12,500	\$0		2	10/3/2011
Kalinah Khan	Custom Stitch, LLC	Rockport National Bank	\$74,000	\$140,000	2	3	10/3/2011
Gerald Alves	Winter Hill Laundromat, LLC	First National Bank of Ipswich	\$130,000	\$261,892		4	10/5/2011
Kathleen M. Darby	Pizzazze Hair Salon, Inc	Pentucket Bank	\$24,000	\$226,693	0	3	10/5/2011
Harold J. Jenkins	J.M.S. Trucking	Rockport National Bank	\$10,000	\$192,000	1	2	10/5/2011
Stephen E. Westcott	A.O.K. Pest Control, Inc	Peoples Bank	\$10,000	\$118,655		1	10/14/2011
Mary Cleary	Cleary Consultants	Eastern Bank	\$75,000	\$301,516	0	13	10/19/2011
Alexis Neubert	Alexis Design	Florence Savings Bank	\$5,000	\$94,000		1	10/19/2011
J. Mark Syron	Syron & Bishoff Artists	Rockport National Bank	\$20,000	\$187,000	1	2	10/19/2011
J. Mark Syron	Syron & Bishoff Artists	Rockport National Bank	\$10,000	\$187,000	1	2	10/19/2011
Patrick Deboever	265 Broadway Lynn Realty Trust/Conemmy	Salem Five Bank	\$167,500	\$226,000	4	3	10/19/2011
Jenna Frontiero	Jenna Frontiero	Cape Ann Savings Bank	\$10,000	\$0	3	1	10/25/2011
Robert J. Fuller	Rob Fuller Motorsports, LLC	Clinton Savings Bank	\$100,000	\$598,000		2	10/25/2011
Daniel Dostel	Dostel Tree Service	Florence Savings Bank	\$17,655	\$58,000		1	10/25/2011
John Polcarl	A1 Affordable, Inc	Mutual Federal Savings Bank	\$30,000	\$784,000	1	6	10/25/2011
Oscar Rios	Stephanie's Cleaners, Inc	Mutual Federal Savings Bank	\$20,000	\$358,678	1	6	10/25/2011
Oscar Rios	Stephanie's Cleaners, Inc	Mutual Federal Savings Bank	\$130,000	\$358,678	1	6	10/25/2011
Donald Heline	HHH Mechanical LLC	Avidia Bank	\$8,000	\$250,000		4	11/1/2011
Francesco P. Vitale	RMV, Inc	Cape Ann Savings Bank	\$20,000	\$132,157		2	11/1/2011
Brian D. Lewis	The Natual Landscape, LLC	Marlborough Savings Bank	\$90,000	\$1,470,000	2	6	11/1/2011
Brian D. Lewis	The Natural Landscape, LLC	Marlborough Savings Bank	\$60,000	\$1,470,000	2	6	11/1/2011
Gabriel F. Pires	Link Transport Systems, Inc	Mechanics Cooperative Bank	\$7,500	\$237,230		4	11/1/2011
Michael A. Salvati	Mike's Music, Inc	Mechanics Cooperative Bank	\$50,000	\$218,772		1	11/1/2011
Paul Lyons	Patriot Plumbing & Heating Inc	Needham Bank	\$100,000		2	6	11/1/2011
Theodore Hawkes	Park Avenue Market/Ace Hardware Inc.	Weymouth Bank	\$10,000	\$2,000,000		16	11/1/2011
Kimberly McDonald	McDonald Construction Co., Inc.	Rockland Trust Company	\$10,000	\$328,249		2	11/3/2011
Molly Gasnick Moncreiff	Brussels Sprouts, LLC	The Village Bank	\$50,000	\$391,000	2	5	11/8/2011
Michael & kimberly Wasuk	Shear Perfection	Berkshire Bank	\$15,000	\$130,000	3		11/10/2011
Rhythm Patel	1132 Spirit Shop, LLC	Peoples Bank	\$200,000	\$1,786,888		4	11/10/2011
Ian Hill	Hillman Construction	Avidia Bank	\$25,000	\$100,000		1	11/21/2011
Phillp Collins	Collins Crane & Rigging Service, Inc	Mutual Federal Savings Bank	\$50,000	\$2,060,587	0	10	11/21/2011
Steven Collins	Collins Leasing & Warehousing, Inc.	Mutual Federal Savings Bank	\$50,000	\$160,417	0	2	11/21/2011
Michael A. Pushee, Jr	Bradford Finishing & Powder Coating, Inc	Pentucket Bank	\$75,000	\$548,000		5	11/22/2011
Lyn Desjardins	Lyn Desjardin Optometry, LLC	Rockport National Bank	\$15,000	\$105,000	1	1	11/23/2011
Craig Hillier, Jr	Craig Hillier, Jr Lobstering	Rockport National Bank	\$20,000	\$0	1	0	11/29/2011
Arnold Gray	Gray Environmental Data Services, LLC	Avidia Bank	\$50,000	\$1,200,000		6	12/1/2011
Gail Gibbs	Pride Taxi Service, Inc	Seamen's Bank	\$10,000	\$104,000	5	2	12/1/2011
Peter C. Simpson	Haymarket Cafe, Inc.	Florence Savings Bank	\$15,000	\$1,284,666		25	12/2/2011
Joe Chamberlain	Metro West Homecare, LLC	Fidelity Bank	\$28,000	\$1,033,000		10	12/8/2011
Bryan Burk Graham	Graham Chiropractic Center, Inc.	Rockland Trust Company	\$37,067	\$283,801		2	12/8/2011
Patrick Harrington	Harrington Oil, Inc	Bay State Savings Bank	\$15,000	\$835,579		5	12/16/2011
Brian Faghan	Long Pond Physical Therapy, Inc.	Mayflower Bank	\$72,500	\$402,000	2	2	12/16/2011
Patricia Philbrick	Two Sisters Restaurant	Cape Ann Savings Bank	\$20,000	\$212,000		5	12/19/2011
Mark R. Bresnahan	Mare Enterprises, Inc	North Middlesex Savings Bank	\$7,000	\$310,000	0	3	12/19/2011
Mark S. Van Buren	Mark's Landscaoe + Design, LLC	North Middlesex Savings Bank	\$25,000	\$309,000		3	12/19/2011
Raymond L. Vitolo	Aim Cleaning and Maintenance Services	Enterprise Bank and Trust Co.	\$25,000	\$1,103,871		30	12/21/2011

Oscar Rios	Stephanie's Cleaners, Inc	Mutual Federal Savings Bank	\$7,000	\$358,678		7	12/21/2011
Robert Lamacchia	Bob Lamacchia Landscape, Inc	North Middlesex Savings Bank	\$55,000	\$300,000		3	12/21/2011
Michael Langlois	T.C.B. Electrical Corporation	Enterprise Bank and Trust Co.	\$50,000	\$500,594	4	13	12/27/2011
James V. Kent	Sundial Wire, LLC	Florence Savings Bank	\$50,000	\$230,941		3	12/27/2011
Mark Petrosevich	Area Landscaping and Sweeping	Mutual Federal Savings Bank	\$40,000	\$752,371		8	12/29/2011
James Medeiros	Jim's Auto Service	Rockland Trust Company	\$50,000	\$192,000		2	12/29/2011
TOTALS			\$8,876,600			122	1459

LOAN DETAILS
JAN-JUNE 2012

SSBCI - CAP PROGRAM

Q1, 2012

MBDC Loan #	Date Disbursed	Borrowers Name	Location	Zip Code	Census Tract	Sales	SIC Code	NAICS	Year Inc.	Full-time Employees	Estimated # Jobs		M/W/D/V	Lender	EIN	Loan Type	Total	
											Created	Retained					Amount of Loan	Enrolled Amount
C12-001	1/6/2012	Old Forge Construction	Hanover	02339-2846	25023503102	\$ 420,202	1521	236115	n/a	4	0	4		Sovereign Bank	04-3532869	Line	\$ 67,500	\$ 67,500
C12-002	1/6/2012	The Clam Box of Auburn, Inc	Auburn	01501-1321	25027736100	\$ -	5812	722211	2011	0	10	0	M	North Middlesex Savings	04-1678010	Term	\$ 60,000	\$ 60,000
C12-003	1/10/2012	Pope's Landing Marine, Inc	Danvers	01923-3390	25009211100	\$ 450,000	7991	713940	1997	3	0	3		North Middlesex Savings	04-1678010	Term	\$ 14,000	\$ 14,000
C12-004	1/6/2012	Compass Packaging Solutions	Billerica	01821-5094	25017316202	\$ 4,800,000	4731	488900	2010	1	4	5		North Middlesex Savings	04-1678010	Term	\$ 150,000	\$ 150,000
C12-005	1/13/2012	Boston Limo & Shuttle Service	W. Bridgewater	02379-1813	25023524102	\$ 376,117	4119	485999	2009	3	0	3		Mutual Federal Savings	04-1647485	Term	\$ 17,250	\$ 5,000
C12-006	1/13/2012	RJ Enterprises Equipment Rep	Granby	01033-0352	25015820900	\$ 138,000	7699	811411	n/a	2	0	2		Chicopee Savings	04-1174490	Term	\$ 50,000	\$ 50,000
C12-007	1/13/2012	Nu Café, LLC	Worcester	01602-3441	25027731102	\$ 563,869	5812	722111	2008	10	0	10		Bay State Savings	75-3238872	Line	\$ 25,000	\$ 25,000
C12-008	1/13/2012	Nu Café, LLC	Worcester	01602-3441	25027731102	\$ 563,869	5812	722111	2008	10	0	10		Bay State Savings	75-3238872	Term	\$ 292,000	\$ 292,000
C12-009	1/18/2012	Marshfield Animal Hospital	Marshfield	02050-2720	25023506102	\$ 1,700,000	741	541940	2003	5	0	5		First Nat'l Bk of Ipswich	04-1473215	Term	\$ 200,000	\$ 120,000
C12-010	1/19/2012	Clark Construction Inc	Westfield	01085-9702	25013812800	\$ 237,662	1751	238350	2004	4	0	4		Westfield Bank	00-1002308	Line	\$ 25,000	\$ 25,000
C12-011	1/20/2012	Topsfield Independent Eye	Topsfield	01983-2215	25009214100	\$ 541,280	8042	621320	2003	8	2	8		First Nat'l Bk of Ipswich	04-1473215	Term	\$ 100,000	\$ 100,000
C12-012	1/27/2012	Cook Education Services, Inc	Gloucester	01930-1802	25009221300	\$ 400,000	8351	624410	2010	5	1	6	W	Rockport National Bank	04-1782774	Term	\$ 50,000	\$ 50,000
C12-013	1/24/2012	Sluggers' Academy, LLC	Medfield	02052-1594	25021406101	\$ -	7997	713990	2011	0	6	0		Needham Bank	04-1655620	Term	\$ 220,000	\$ 220,000
C12-014	1/25/2012	The White Lilac	Manchester	01944-1553	25009218100	\$ -	5947	453220	n/a	0	4	0	W	Salem Five Bank	25-5981402	Term	\$ 125,000	\$ 125,000
C12-015	1/25/2012	The Good Dog Spot, Inc	Chicopee	01020-2200	25013811301	\$ 301,987	752	812910	2006	4	0	4	W	Monson Savings Bank	56-2545442	Term	\$ 92,000	\$ 92,000
C12-016	1/23/2012	The Bakers Oven	Colrain	01340-4001	25011040100	\$ -	5812	722211	n/a	2	8	2		Greenfield Savings Bank	81-0669576	Term	\$ 50,000	\$ 25,000
C12-017	1/26/2012	Edward Deluca, CPA	Weymouth	02189-1035	25021422600	\$ 259,034	8721	541219	n/a	1	1	1		South Coastal Savings	04-1782520	Line	\$ 25,000	\$ 25,000
C12-018	1/31/2012	EMC Drywall, LLC	Templeton	01468-1343	25027705100	\$ 102,843	1742	238310	2006	1	0	1		Fidelity Bank	20-5791742	Line	\$ 15,000	\$ 15,000
C12-019	1/31/2012	Norwood Printing, Graphics, Inc	Norwood	02062-3554	25021413200	\$ 375,000	2759	323119	2012	2	0	2		Mutual Federal Savings	04-1647485	Line	\$ 50,000	\$ 50,000
C12-020	1/31/2012	Michael D. Rego	Provincetown	02657-2102	25001010100	\$ 147,671	912	114111	n/a	2	1	2		Seamens Bank	04-1817540	Term	\$ 20,000	\$ 20,000
C12-021	2/1/2012	Little Corporation	Weymouth	02190-1511	25021422200	\$ 2,000,000	7231	812112	2011	4	0	4		South Shore Savings Bank	04-1963710	Term	\$ 10,000	\$ 10,000
C12-022	2/1/2012	Washut & Ware	Northampton	01060-3221	25015821904	\$ -	5812	722211	2011	10	8	10		Greenfield Savings Bank	81-0669576	Term	\$ 121,800	\$ 60,000
C12-023	2/1/2012	Murbean, Inc	Osterville	02655-1749	25001013002	\$ 507,749	5999	453998	2008	15	10	25	W	Rockland Trust	04-1782600	Line	\$ 90,000	\$ 40,000
C12-024	2/7/2012	Cherry Bomb Ice Cream, Inc	Amesbury	01913-2902	25009266300	\$ 50,000	5812	722110	2010	1	0	1	W	The Provident Bank	04-3497377	Term	\$ 10,300	\$ 10,000
C12-025	2/9/2012	HHM Mechanical, LLC	Leominster	01453-2426	25027709502	\$ 250,000	8711	541330	2006	4	0	4		Avidia Bank	04-3395834	Term	\$ 8,500	\$ 8,500
C12-026	2/10/2012	Nor'East Beer Garden, Inc	Provincetown	02657-2129	25001010100	\$ 324,796	5812	722210	2010	3	3	3	W	Seamens Bank	04-1817540	Term	\$ 35,000	\$ 35,000
C12-027	2/13/2012	Oxbow Wines LLC	Northampton	01060-3806	25015821903	\$ 2,000,000	5921	445310	2011	10	10	10	W	Florence Bank	04-1332530	Term	\$ 200,000	\$ 200,000
C12-028	2/13/2012	Calvin Moore	Ayer	01432-1378	25017325100	\$ -	5812	722100	2012	0	4	4		North Middlesex Savings	04-1678010	Term	\$ 15,000	\$ 15,000
C12-029	2/14/2012	S.E.T. School, LLC	Westborough	01581-3536	25027742401	\$ 81,000	8299	611710	2011	3	1	3	W	Avidia Bank	04-3395834	Term	\$ 50,000	\$ 50,000
C12-030	2/15/2012	Belmor Ventures, LLC	Haverhill	01832-5273	25009260900	\$ 483,132	5131	451130	2009	4	0	4		Georgetown Bank	04-1362840	Term	\$ 235,000	\$ 235,000
C12-031	2/16/2012	Martin & Company	Gloucester	01930-4828	25009221800	\$ 40,000	7311	541800	n/a	1	0	1	W	Rockport National Bank	04-1782774	Line	\$ 5,000	\$ 5,000
C12-032	2/14/2012	Strategic Synergies, Inc	Hubbardston	01452-1564	25027706100	\$ 100,000	8742	541600	2004	1	1	1		North Middlesex Savings	04-1678010	Term	\$ 50,000	\$ 50,000
C12-033	2/17/2012	Mold Components, Inc	Taunton	02780-2804	25005614101	\$ 74,228	3082	326121	2003	1	0	1		Mechanics Cooperative	04-1608620	Term	\$ 5,000	\$ 5,000
C12-034	2/21/2012	EZ Care Landscaping	Northborough	01532-1007	25027740101	\$ -	782	561730	n/a	2	2	2		Avidia Bank	04-3395834	Line	\$ 7,000	\$ 7,000
C12-035	2/22/2012	Eastcoast Project Mgmt	Lakeville	02347-1203	25023540101	\$ 650,000	4499	541990	2009	1	1	1	D/V	Rockland Trust	04-1782600	Term	\$ 10,000	\$ 10,000
C12-036	2/23/2012	Klymaxx Unlimited	Provincetown	02657-2108	25001010100	\$ 52,511	5999	446120	n/a	1	1	1	W	Seamens Bank	04-1817540	Term	\$ 25,000	\$ 25,000
C12-037	2/24/2012	Lynnfield House of Pizza	Lynnfield	01940-2218	25009209100	\$ 309,077	5812	722110	n/a	3	0	3		The Savings Bank	04-1930290	Term	\$ 17,000	\$ 17,000
C12-038	2/17/2012	4th Generation Electric, Inc	Leominster	01453-3430	25027709501	\$ 103,813	1711	238210	2011	1	0	1		Fidelity Bank	20-5791745	Line	\$ 10,000	\$ 10,000
C12-039	2/23/2012	Indek Chiropractic, P.C.	Quincy	02169-5059	25021417701	\$ 180,000	8041	621310	1984	2	0	2		South Shore Savings Bank	04-1963710	Term	\$ 10,000	\$ 10,000
C12-040	3/5/2012	Main Street Display, Inc	Great Barrington	01230-2108	25003925100	\$ 300,000	5621	448120	2001	7	1	7	W M	Lee Bank	04-1533590	Term	\$ 15,000	\$ 15,000
C12-041	3/5/2012	Levine and Piro	Maynard	01754-2097	25017364101	\$ -	8111	541110	n/a	2	0	2		Middlesex Bank	27-0402195	Term	\$ 20,000	\$ 20,000
C12-042	3/6/2012	Mayuri Cuisine	Westborough	01581-2710	25027761200	\$ -	5812	722110	2011	2	4	2	W	Avidia Bank	04-3395834	Term	\$ 50,000	\$ 50,000
C12-043	3/7/2012	Marlborough Trucking, Inc	Marlborough	01752-2763	25017321100	\$ 33,807	2763	484110	2009	2	0	2		Avidia Bank	04-3395834	Line	\$ 5,000	\$ 5,000
C12-044	3/7/2012	Marlborough Trucking, Inc	Marlborough	01752-2763	25017321100	\$ 33,807	2763	484110	2009	2	0	2		Avidia Bank	04-3395834	Term	\$ 12,409	\$ 7,500
C12-045	3/8/2012	Silva Fishery	Wellfleet	02667-8938	25001010206	\$ 24,000	912	114111	n/a	1	1	1		Seamens Bank	04-1817540	Term	\$ 21,000	\$ 21,000
C12-046	3/8/2012	TKB Painting	Deerfield	01342-9757	25011040900	\$ 30,000	1721	238320	n/a	1	0	1		Greenfield Savings Bank	81-0669576	Line	\$ 5,000	\$ 5,000
C12-047	3/8/2012	McMakin Group, Inc	Plymouth	02360-2011	25023530700	\$ -	7629	811412	2011	2	0	2		Rockland Trust	04-1782600	Line	\$ 10,000	\$ 5,000
C12-048	3/9/2012	North Shore Pool Supply, Inc	Wakefield	01880-3220	25017335200	\$ 795,800	5945	451120	1987	1	0	1		The Savings Bank	04-1930290	Term	\$ 35,000	\$ 35,000
C12-049	3/15/2012	Robert Lipinski	Cheshire	01225-9791	25003923100	\$ 16,853	1522	236118	n/a	1	0	1		Hoosac Bank	04-3413060	Term	\$ 16,500	\$ 16,500
C12-050	3/15/2012	J.H.N Enterprises, Inc	Spencer	01562-2807	25027726100	\$ 725,000	5812	722211	1999	12	3	12		North Middlesex Savings	04-1678010	Term	\$ 28,000	\$ 28,000
C12-051	3/15/2012	J.H.N Enterprises, Inc	Spencer	01562-2807	25027726100	\$ 725,000	5812	722211	1999	12	3	12		North Middlesex Savings	04-1678010	Term	\$ 232,000	\$ 232,000
C12-052	3/16/2012	Connors Bros Moving & Stor	Williamstown	01267-2555	25003920101	\$ 491,950	4214	484110	2005	7	0	7		Hoosac Bank	04-3413060	Term	\$ 45,000	\$ 45,000
C12-053	3/16/2012	Alpha Delta, Inc	Boston	02122-3630	25025100603	\$ 1,150,000	6531	531390	2005	9	2	9		Rockland Trust	04-1782600	Line	\$ 75,000	\$ 25,000
C12-054	3/19/2012	Davis Group, Inc	Rockport	01966-1334	25009220101	\$ 125,000	7336	541430	1996	1	0	1	W	Rockport National Bank	04-1782774	Line	\$ 20,000	\$ 20,000
C12-055	3/20/2012	Stephanies Cleaners	Brockton	02301-5325	25023510900	\$ 358,678	7212	812320	2007	6	1	6		Mutual Federal Savings	04-1647485	Line	\$ 10,000	\$ 10,000
C12-056	3/20/2012	Charles Hertan Numismatics	South Hadley	01075-1001	25015821300	\$ 805,												

C12-058	3/22/2012	Petit Needham, LLC	Needham	02492-2601	25021457200	\$	-	5812	722110	2011	9	3	9	Needham Bank	04-1655620	Term	\$	25,000	\$	25,000
C12-059	3/22/2012	Petit Needham, LLC	Needham	02492-2601	25021457200	\$	-	5812	722110	2011	9	3	9	Needham Bank	04-1655620	Term	\$	100,000	\$	100,000
C12-060	3/26/2012	DFM Electric, Inc	Halifax	02338-1301	25023526100	\$	305,389	1731	238210	2001	4	0	2	Rockland Trust	04-1782600	Term	\$	31,700	\$	14,300

Q1, 2012 Totals

\$ 3,378,959 \$ 3,072,300

C12-061	4/2/2012	Laramie & Calley, Inc	North Oxford	01537-1211	25027753100	\$	500,000	4119	485320	2008	5	0	5	W	Avidia Bank	04-3395834	Term	\$	15,000	\$	15,000
C12-062	4/2/2012	S & R Landscaping	Leominster	01453-4445	25027709400	\$	38,078	782	561730	n/a	2	0	2		Fidelity Bank	20-5791745	Term	\$	3,666	\$	3,666
C12-063	4/2/2012	A.J. Precision, Inc	Westfield	01085-3321	25013812600	\$	177,894	3599	332710	2005	3	0	3		Westfield Bank	04-3305700	Line	\$	1,000	\$	1,000
C12-065	4/2/2012	Kelleher Construction	Wenham	01984-1648	25009216100	\$	1,759,000	1531	236210	1980	4	0	4	V	Salem Five	04-1802790	Line	\$	25,000	\$	25,000
C12-066	4/2/2012	WT Adams Wholesale, LLC	Pepperell	01463-1022	25017327101	\$	-	5111	424000	2012	2	4	2	V	North Middlesex Savings	04-1678010	Line	\$	75,000	\$	75,000
C12-067	4/3/2012	Traders Village on the Cape	Provincetown	02657-2206	25001010100	\$	258,700	5199	453220	1999	2	1	2		Seamen's Bank	04-1817540	Term	\$	15,000	\$	15,000
C12-068	4/3/2012	Northampton Family Dentist	Northampton	01060-2951	25015821901	\$	954,945	8021	621210	n/a	4	0	4	W	Florence Savings Bank	04-1332530	Line	\$	40,000	\$	40,000
C12-069	4/3/2012	Clothware, Inc	Cambridge	02138-3731	25017354100	\$	493,000	5137	448120	1985	3	0	3	W	Cambridge Trust	04-1145370	Term	\$	47,815	\$	47,815
C12-070	4/3/2012	Coles Pond Leasing, LLC	W. Bridgewater	02379-1753	25023524102	\$	1,941,601	4151	485410	2007	5	0	5	W	Mutual Federal Savings	04-1647485	Term	\$	48,000	\$	8,000
C12-071	4/5/2012	Norm's Auto	Gloucester	01930-3540	25009221500	\$	185,376	5521	441120	n/a	2	0	2		Cape Ann Savings	04-1148820	Term	\$	20,000	\$	20,000
C12-072	4/5/2012	Stewarts Bldg & Remodeling	Medway	02053-2153	25021408101	\$	144,069	1521	236118	n/a	1	0	1		Rockland Trust	04-1782600	Term	\$	41,410	\$	21,705
C12-073	4/9/2012	R & R Mechanical, LLC	Leominster	01453-4514	25027709202	\$	860,000	1761	238390	2008	9	0	9		Avidia Bank	04-3395834	Line	\$	50,000	\$	50,000
C12-074	4/9/2012	R & R Mechanical, LLC	Leominster	01453-4514	25027709202	\$	860,000	1761	238390	2008	9	0	9		Avidia Bank	04-3395834	Term	\$	160,000	\$	50,000
C12-075	4/13/2012	Y Design	Provincetown	02657-1589	25001010100	\$	25,000	1521	236115	n/a	1	0	1		Seamen's Bank	04-1817540	Term	\$	22,000	\$	22,000
C12-076	4/18/2012	Augustus Construction	Truro	02666-0000	25001010208	\$	50,000	1521	236118	1984	8	0	8		Seamen's Bank	04-1817540	Line	\$	50,000	\$	50,000
C12-077	4/20/2012	Rabouin Transportation	Hancock	01237-0000	25003911100	\$	3,938,000	4213	484230	1977	30	0	30		Berkshire Bank	04-3312097	Line	\$	75,000	\$	75,000
C12-078	4/24/2012	Rae's Fresh as Sunshine	Walpole	02081-3717	25021411301	\$	-	5812	722110	2011	3	1	3	W	Needham Bank	04-1655620	Term	\$	64,000	\$	64,000
C12-079	4/24/2012	Dan's Truck Service	Leicester	01524-2011	25027735100	\$	100,000	7538	811111	2012	1	1	1		North Middlesex Savings	04-1678010	Line	\$	20,000	\$	20,000
C12-080	5/1/2012	Lower Cape Ambulance Assoc	Provincetown	02657-1559	25001010100	\$	1,593,446	4522	621910	1937	17	0	17		Seamen's Bank	04-1817540	Term	\$	200,000	\$	200,000
C12-081	5/1/2012	Delphi Technology Solutions	Wilmington	01887-3091	25017331102	\$	657,178	7374	518210	2003	6	2	6		The Savings Bank	04-1930290	Term	\$	100,000	\$	100,000
C12-082	5/2/2012	Environmental Operations Mg	W Bridgewater	02379-1087	25023524101	\$	5,043,820	4212	562111	1995	21	0	21		Mutual Federal Savings	04-1647485	Term	\$	100,000	\$	25,000
C12-083	5/3/2012	Berkshire Lock Shop, Inc	Pittsfield	01201-3502	25003900200	\$	304,000	3732	541990	2012	3	1	3		Hoosac Bank	04-3413060	Term	\$	67,009	\$	67,009
C12-084	5/3/2012	Stoneybrook Water Company	Manchester	01944-1548	25009218100	\$	444,000	5149	445290	2006	3	0	3		Rockport National	04-1782774	Line	\$	200,000	\$	200,000
C12-085	5/3/2012	Area Landscaping and Sweepg	Whitman	02382-2405	25023521202	\$	752,371	782	561730	n/a	5	0	5		Mutual Federal Savings	04-1647485	Term	\$	12,200	\$	12,200
C12-086	5/4/2012	SRB Signature Designs	Lunenburg	01462-1055	25027712101	\$	199,258	1799	238990	2011	2	0	2		Fidelity Bank	20-5791745	Line	\$	50,000	\$	25,000
C12-087	5/7/2012	Oli's	West Boylston	01583-2374	25027729200	\$	432,328	5812	722110	2010	10	1	10		Bay State Savings Bank	75-3238872	Term	\$	54,000	\$	54,000
C12-088	5/7/2012	Pleasantdale Village, Inc	Rutland	01543-1241	25027721102	\$	5,682,404	5541	447110	2000	5	0	5		Bay State Savings Bank	75-3238872	Term	\$	50,000	\$	50,000
C12-089	5/7/2012	Gleason Landscaping	Easthampton	01027-1271	25015822402	\$	228,000	781	541320	n/a	9	0	9		Florence Savings Bank	04-1332530	Line	\$	15,000	\$	15,000
C12-090	5/7/2012	Gleason Landscaping	Easthampton	01027-1271	25015822402	\$	228,000	781	541320	n/a	9	0	9		Florence Savings Bank	04-1332530	Term	\$	65,000	\$	65,000
C12-091	5/9/2012	B&G Glass, LLC	Pittsfield	01201-6211	25003900100	\$	845,000	1793	238150	2012	6	0	6		Hoosac Bank	04-3413060	Term	\$	103,000	\$	103,000
C12-092	5/9/2012	Triple E G Co, Inc	Braintree	02184-8633	25021419600	\$	-	5099	451120	2012	1	0	1		South Shore Bank	04-1963710	Term	\$	35,000	\$	17,500
C12-093	5/11/2012	Childrens Learning Express	W. Bridgewater	02379-1022	25023524101	\$	606,899	8351	624410	1994	10	0	10	W	Mutual Federal Savings	04-1647485	Line	\$	30,000	\$	30,000
C12-094	5/14/2012	Foxboro Music Den	Foxboro	02035-1219	25021410400	\$	31,672	8299	611610	n/a	1	0	1		Mutual Federal Savings	04-1647485	Term	\$	25,000	\$	25,000
C12-095	5/14/2012	Foxboro Music Den	Foxboro	02035-1219	25021410400	\$	31,672	8299	611610	n/a	1	0	1		Mutual Federal Savings	04-1647485	Line	\$	10,000	\$	10,000
C12-096	5/14/2012	Kris Kaplan, Inc	Lexington	02421-6121	25017358100	\$	770,151	7389	561990	2008	14	0	14		Sovereign Bank	04-3532869	Line	\$	33,500	\$	33,500
C12-097	5/14/2012	Hair By The Sea, Inc	Provincetown	02657-2224	25001010100	\$	108,616	7231	812112	2005	6	2	6		Seamen's Bank	04-1817540	Term	\$	42,000	\$	17,350
C12-098	5/15/2012	Peter King Architecture LLC	Beverly	01915-2522	25009217300	\$	184,725	8712	541310	2012	2	0	2		The Savings Bank	04-1930290	Line	\$	60,000	\$	60,000
C12-099	5/15/2012	Northampton Family Dentist	Northampton	01060-2951	25015821901	\$	955,625	8021	621210	n/a	4	0	4	W	Florence Savings Bank	04-1332530	Term	\$	10,000	\$	10,000
C12-100	5/17/2012	R&G Fuel, Inc	North Andover	01845-6120	25009253204	\$	4,838,000	5541	447190	1998	7	0	7		Enterprise Bank	04-2993547	Line	\$	50,000	\$	50,000
C12-101	5/17/2012	R&G Fuel, Inc	North Andover	01845-60120	25009253204	\$	4,838,000	5541	447190	1998	7	0	7		Enterprise Bank	04-2993547	Term	\$	75,000	\$	75,000
C12-102	5/18/2012	Spartan Bobcat & Concrete	Springfield	01104-2258	25013800201	\$	258,675	1629	237990	2009	2	3	2	W	Chicopee Savings	04-1174490	Line	\$	20,000	\$	20,000
C12-103	5/18/2012	All In One Shop, Inc	Westfield	01085-1368	25013812800	\$	604,011	5411	445120	2005	4	6	4	MW	Westfield Bank	04-3305700	Term	\$	50,000	\$	50,000
C12-104	5/22/2012	Law Office of Elaine Dalton	Groveland	01834-1568	25009264100	\$	120,000	8111	541110	n/a	2	0	2	W	Pentucket Bank	04-1715580	Term	\$	25,000	\$	25,000
C12-105	5/22/2012	Roger's Rug Cleaning, Inc	Ware	01082-9734	25015820101	\$	108,509	7349	561720	2005	1	0	1		Chicopee Savings	04-1174490	Term	\$	25,000	\$	25,000
C12-106	5/24/2012	Holden Hands Learning Ctr	Holden	01520-1858	25027728300	\$	433,000	8351	624410	2009	6	2	6	W	Bay State Savings Bank	75-3238872	Term	\$	75,000	\$	75,000
C12-107	5/24/2012	Kvua Enterprises, LLC	Milton	02186-1332	25021416102	\$	9,969,400	5541	447110	2012	3	0	3		Mutual Federal Savings	04-1647485	Term	\$	275,000	\$	60,000
C12-108	5/24/2012	VOMA, Inc	Milton	02186-1332	25021416102	\$	15,928,871	5541	447110	2003	10	0	10		Mutual Federal Savings	04-1647485	Line	\$	100,000	\$	50,000
C12-109	5/30/2012	Stafford Lee Livery, Inc	Allston	02134-2430	2502500602	\$	-	4119	485999	2012	1	0	1		Century Bank & Trust	04-6202762	Term	\$	3,000	\$	3,000
C12-110	6/1/2012	Danielle's Designs Florist	Haverhill	01830-6720	25009260301	\$	250,000	5992	453110	n/a	1	0	1	W	Pentucket Bank	04-1715580	Term	\$	10,000	\$	10,000
C12-111	6/1/2012	Bourne Enterprises, Inc	South Easton	02375-1910	25005600202	\$	36,500,000	5521	441120	1973	35	0	35		Mutual Federal Savings	04-1647485	Term	\$</			

C12-118	6/7/2012	Coles Pond Leasing, LLC	W. Bridgewater	02379-1753	25023524102	\$ 2,021,789	4119	485410	2007	5	0	5	Mutual Federal Savings	04-1647485	Term	\$ 142,800	\$ 20,000
C12-119	6/7/2012	Bob Lamacchia Landscaping	North Billerica	01862-2944	25017316400	\$ 325,000	782	561730	2009	2	0	2	North Middlesex Savings	04-1678010	Term	\$ 40,000	\$ 40,000
C12-120	6/7/2012	Elevate Experts Corporation	E. Bridgewater	02333-2241	25023523202	\$ 255,144	5087	423850	2012	2	0	2	Rockland Trust	04-1782600	Line	\$ 50,000	\$ 12,500
C12-121	6/8/2012	Center Ave, LLC	Middleboro	02346-2053	25023542300	\$ 270,233	5813	722410	2006	4	0	4	Mutual Federal Savings	04-1647485	Term	\$ 87,500	\$ 87,500
C12-122	6/8/2012	Chococoa Baking Company	Newburyport	01950-2414	25009268300	\$ 159,927	5461	445291	2007	2	2	2	The Savings Bank	04-1930290	Term	\$ 80,000	\$ 80,000
C12-123	6/11/2012	Dzian LLC	Worcester	01604-5041	25027732500	\$ 282,000	5999	453920	2006	2	2	2	Bay State Savings Bank	75-3238872	Line	\$ 58,000	\$ 58,000
C12-124	6/14/2012	Coles Pond Leasing, LLC	W. Bridgewater	02379-1753	25023524102	\$ 2,021,789	4119	485410	2007	5	0	5	Mutual Federal Savings	04-1647485	Term	\$ 142,880	\$ 20,000
C12-125	6/14/2012	R M Ratta Corp	Ayer	01432-5509	25017325100	\$ 1,339,953	1711	238900	2003	6	1	6	North Middlesex Savings	04-1678010	Line	\$ 150,000	\$ 50,000
C12-126	6/18/2012	T. Doyle's Pub, Inc.	Brockton	02301-1057	25023510503	\$ 780,000	5812	722110	2012	4	6	4	Rockland Trust	04-2163213	Term	\$ 200,000	\$ 100,000
C12-127	6/18/2012	Cape Cod Opera, Inc	So. Yarmouth	02664-6010	25001012002	\$ 65,372	7922	711510	1997	2	0	2	Cape Cod Five	04-1149070	Line	\$ 10,000	\$ 10,000
C12-128	6/19/2012	Golden Animal Inc	Belchertown	01007-9326	25015820204	\$ -	742	541940	2011	4	4	4	Chicopee Savings	04-1174490	Term	\$ 150,000	\$ 100,000
C12-129	6/19/2012	Technology Insight Corp	Marlborough	01752-1960	25017321400	\$ 1,400,000	8742	541614	1999	11	1	11	Mutual Federal Savings	04-1647485	Line	\$ 300,000	\$ 150,000
C12-130	6/19/2012	Technology Insight Corp	Marlborough	01752-1960	25017321400	\$ 1,400,000	8742	541614	1999	11	1	11	Mutual Federal Savings	04-1647485	Term	\$ 200,000	\$ 100,000
C12-131	6/20/2012	Karpel Kleen	Abington	02351-1209	25023520201	\$ 72,000	7217	561740	n/a	2	0	2	South Shore Bank	04-1963710	Line	\$ 8,000	\$ 8,000
Q 2, 2012 TOTALS																	
\$ 4,988,285 \$ 3,596,745																	

CLAIM DETAILS
JULY-JUNE 2012

Loan Number	Borrower	Bank	Original Loan/Match Date	Withdrawal Date	Original Loan Amount	Claim/Charge Off Amount
05-00060	Paul Latino	Bay State Savings Bank	10/17/2003	11/23/2011	\$10,000.00	\$10,000.00
06-00070	Leslie C Bedore	TD Banknorth, N.A.	11/18/2004	5/26/2012	\$10,000.00	\$2,208.03
06-00146	William P. McGrail, Jr.	Webster Five	4/25/2005	8/24/2011	\$15,000.00	\$767.62
07-00113	Nathan Daniels	Rockland Trust Company	3/17/2006	10/31/2011	\$10,000.00	\$4,481.88
07-00113	Nathan Daniels	Rockland Trust Company	3/17/2006	11/5/2011	\$10,000.00	\$2,772.12
07-00212	Paul Campagna	Webster Five	10/3/2006	10/31/2011	\$50,000.00	\$43,330.54
07-00310	Theo Sawyer	Spencer Savings Bank	4/18/2007	11/21/2011	\$20,000.00	\$20,000.00
08-00152	Patricia A. Zur	Seamen's Bank	5/17/2008	5/7/2012	\$40,000.00	\$35,092.38
10-00083	Norman Berkowitz	The Community Bank	12/16/2008	9/14/2011	\$25,000.00	\$33,272.43
10-00100	Brian Keenan	Peoples United Bank (River)	1/17/2009	1/10/2012	\$100,000.00	\$34,302.78
10-00102	Patricia Collette	Nantucket Bank, Division of Sovereign Bk	1/18/2009	7/18/2011	\$80,000.00	\$40,000.00
10-00104	Anthony R. Zannotti, President	Webster Five	2/1/2009	10/30/2011	\$150,000.00	\$94,863.16
10-00192	Jacqueline A. Taylor	Avidia Bank	6/27/2009	5/13/2012	\$116,671.58	\$14,716.74
10-00251	Aaron Hobart	Seamen's Bank	11/29/2009	7/2/2011	\$30,000.00	\$26,823.18
11-00052	Lynn A. Schroder	Peoples Bank	12/25/2010	2/8/2012	\$12,000.00	\$12,000.00
11-00051	Lynn A. Schroder	Peoples Bank	12/25/2010	2/8/2012	\$11,690.00	\$6,590.29
11-00107	Christopher S. Gallagher	Berkshire Bank	3/26/2011	4/4/2012	\$50,000.00	\$10,500.00
11-00159	Christopher S. Gallagher	Berkshire Bank	6/25/2011	4/4/2012	\$5,500.00	\$3,200.27
					\$745,861.58	\$394,921.42

ONE YEAR PERFORMANCE

Massachusetts Business Development Corporation
 CAP Program Activity Between 07/01/2011 and 06/30/2012

PERIOD LOANS BY INDUSTRY:

INDUSTRY TYPE	NUMBER OF LOANS	DOLLAR AMOUNT	PERCENT OF DOLLARS
Agribusiness	22	\$1,162,021	8.54
Mining/Construction	31	\$1,465,110	10.77
Manufacturing	7	\$229,009	1.68
Transportation	21	\$1,203,981	8.85
Wholesale	10	\$997,815	7.33
Retail	55	\$4,385,455	32.23
Finance/Real Estate	2	\$147,100	1.08
Service/Misc.	76	\$3,929,863	28.88
Unknown	3	\$85,000	0.62
TOTALS:	227	\$13,605,353	100.00

BREAKDOWN BY LOAN SIZE IN PERIOD:

LOAN SIZE RANGE	NUMBER OF LOANS	DOLLAR AMOUNT	PERCENT OF DOLLARS
\$0 - \$24,999	83	\$1,061,185	7.80
\$25,000 - \$49,999	44	\$1,381,645	10.16
\$50,000 - \$99,999	59	\$3,673,543	27.00
\$100,000 - \$249,999	34	\$5,189,980	38.15
\$250,000 - \$499,999	7	\$2,299,000	16.90
\$500,000 and above	0	\$0	0.00
TOTALS:	227	\$13,605,353	100.00

BREAKDOWN BY SALES OF BORROWER IN PERIOD:

SALES RANGE	NUMBER OF LOANS	DOLLAR AMOUNT	PERCENT OF DOLLARS
\$0 [Start-up]	22	\$1,286,800	9.46
Less than \$100,000	30	\$824,930	6.06
\$100,000 - \$249,999	50	\$1,735,138	12.75
\$250,000 - \$499,999	45	\$2,291,408	16.84
\$500,000 - \$1,000,000	39	\$2,696,892	19.82
Over \$1,000,000	41	\$4,770,185	35.06
TOTALS:	227	\$13,605,353	100.00

RANGE	NUMBER OF LOANS	DOLLAR AMOUNT	PERCENT OF DOLLARS
0 - 9	191	\$9,787,448	71.94
10 - 24	26	\$2,984,300	21.93
25 - 49	8	\$611,505	4.49
50 - 99	2	\$222,100	1.63
100 - 249	0	\$0	0.00
250 +	0	\$0	0.00
TOTALS:	227	\$13,605,353	100.00

TOP BANKS BY DOLLAR AMOUNT OF LOANS ENROLLED DURING PERIOD:

BANK NAME	NUMBER OF LOANS	AMOUNT ENROLLED
Mutual Federal Savings Bank	29	\$1,204,700
Bay State Savings Bank	10	\$935,000
North Middlesex Savings Bank	14	\$821,000
Florence Savings Bank	15	\$717,083
Needham Bank	7	\$574,000

PERIOD PERFORMANCE DATA: 07/01/2011 THROUGH 06/30/2012

Total amount of CAP loans:	\$13,605,352.71
Amount of loans enrolled:	\$10,864,251.04
Amount of program reserve deposits:	\$558,829.49
Amount of reserve paid by banks/borrowers:	\$345,944.15
Accrued interest on reserves:	\$652.05
Less net claims paid:	(\$394,733.41)
Less interest w/d to defer administrative costs:	\$0.00
Net change in total reserves during period:	\$510,692.28
Smallest amount enrolled:	\$1,000.00
Largest amount enrolled:	\$300,000.00
Average amount enrolled:	\$47,948.24
Jobs created by CAP loans:	212
Jobs retained by CAP loans:	1,323
Agency deposit per job created/retained:	\$2,636
Loan-to-program-deposit ratio:	\$19.48: \$1
Wtd. avg. interest rate of loans:	6.01%
EZ/EC borrowers:	18.50%
EZ/EC loans:	21.85%
Lines of credit:	30.41%
Term loans:	69.59%

**CUMULATIVE PERFORMANCE
SINCE INCEPTION**

Massachusetts Business Development Corporation
CAP Performance Report as of 10/09/2012

LOANS BY INDUSTRY:

INDUSTRY TYPE	NUMBER OF LOANS	DOLLAR AMOUNT	PERCENT OF DOLLARS
Agribusiness	167	\$7,200,202	2.39
Mining/Construction	382	\$21,028,597	6.99
Manufacturing	494	\$38,185,280	12.69
Transportation	275	\$19,204,288	6.38
Wholesale	243	\$19,182,309	6.37
Retail	926	\$55,021,193	18.28
Finance/Real Estate	155	\$12,967,815	4.31
Service/Misc.	1,848	115,751,690	38.46
Unknown	281	\$12,416,605	4.13
TOTALS:	4,771	300,957,979	100.00

BREAKDOWN BY LOAN SIZE:

LOAN SIZE RANGE	NUMBER OF LOANS	DOLLAR AMOUNT	PERCENT OF DOLLARS
\$0 - \$24,999	1,528	\$20,279,298	6.74
\$25,000 - \$49,999	1,155	\$36,507,080	12.13
\$50,000 - \$99,999	1,112	\$68,675,631	22.82
\$100,000 - \$249,999	790	111,419,449	37.02
\$250,000 - \$499,999	159	\$50,326,520	16.72
\$500,000 and above	27	\$13,750,000	4.57
TOTALS:	4,771	300,957,979	100.00

BREAKDOWN BY SALES OF BORROWER:

SALES RANGE	NUMBER OF LOANS	DOLLAR AMOUNT	PERCENT OF DOLLARS
\$0 [Start-up]	709	\$42,624,856	14.16
Less than \$100,000	735	\$26,477,734	8.80
\$100,000 - \$249,999	934	\$37,843,401	12.57
\$250,000 - \$499,999	909	\$47,000,683	15.62
\$500,000 - \$1,000,000	754	\$58,764,956	19.53
Over \$1,000,000	730	\$88,246,349	29.32
TOTALS:	4,771	300,957,979	100.00

RANGE	NUMBER OF LOANS	DOLLAR AMOUNT	PERCENT OF DOLLARS
0 - 9	3,880	206,513,674	68.62
10 - 24	677	\$69,109,981	22.96
25 - 49	152	\$16,784,569	5.58
50 - 99	38	\$4,895,854	1.63
100 - 249	20	\$3,038,900	1.01
250 +	4	\$615,000	0.20
TOTALS:	4,771	300,957,979	100.00

TOP FIVE BANKS BY DOLLAR AMOUNT OF LOANS ENROLLED:

BANK NAME	NUMBER OF LOANS	AMOUNT ENROLLED
Bank of America	906	\$47,617,977
Sovereign Bank New England	278	\$20,601,142
TD Banknorth, N.A.	484	\$20,210,551
Rockland Trust Company	308	\$19,912,431
Citizens Bank	370	\$19,863,255

PROGRAM PERFORMANCE DATA:

Total amount of CAP loans:	300,957,979
Amount of loans enrolled:	240,788,230
Amount of reserve deposited by agency:	\$9,370,743
Amount of reserve paid by banks/borrowers:	\$7,587,061
Accrued interest on reserves:	\$397,320
Less interest withdrawn to fund administration:	\$360,415
Less net claims paid:	\$12,302,434
Total current reserve	\$4,692,274
Current default rate:	5.11%
Amount of loans outstanding:	132,109,386
Coverage on loans outstanding:	3.55%
Smallest amount enrolled:	\$1,000
Largest amount enrolled:	\$500,000
Average amount enrolled:	\$50,473
Jobs created by CAP loans:	13,159
Jobs retained by CAP loans:	18,860
Agency deposit per job created/retained:	\$712
Agency cost (net claims) per job created/retained:	\$935
Loan-to-program-deposit ratio:	\$25.70: \$1
Loan-to-loss (leverage) ratio:	\$19.57: \$1
Wtd. avg. interest rate of loans:	8.39%
Gateway City Borrowers:	1.99%
Gateway City Loans:	1.90%
Lines of credit:	42.93%
Term loans:	57.07%
CAPSYS/std	

**Combined Financial Statements and Report of
Independent Certified Public Accountants**

**Massachusetts Business Development Corporation
and Subsidiaries and Affiliate**

December 31, 2011

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Report of Independent Certified Public Accountants

To the Board of Directors, Stockholders and Members of
Massachusetts Business Development Corporation

Audit • Tax • Advisory

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We have audited the accompanying combined balance sheet of Massachusetts Business Development Corporation (a Massachusetts corporation) and subsidiaries and affiliate (collectively, the "Company") as of December 31, 2011, and the related combined statements of operations, stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of Massachusetts Business Development Corporation and subsidiaries and affiliate as of December 31, 2011, and the combined results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Boston, Massachusetts
March 30, 2012

**MASSACHUSETTS BUSINESS DEVELOPMENT CORPORATION
AND SUBSIDIARIES AND AFFILIATE**

Combined Balance Sheet

December 31, 2011

ASSETS

Cash and cash equivalents	\$ 3,528,466
Restricted cash	159,981
Loans receivable	39,784,594
Allowance for loan losses	<u>(1,368,415)</u>
Net loans receivable	38,416,179
Interest receivable	226,236
Fees receivable	381,461
Equity investments	3,836,898
Other investments	1,873,179
Deferred tax asset	554,322
Prepaid income taxes	107,151
Property and equipment, net	138,096
Loan servicing rights, net	125,227
Other assets	<u>422,300</u>
TOTAL ASSETS	<u>\$ 49,769,496</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES

Short term notes payable	\$ 3,300,000
Notes payable to members	34,000,000
SSBCI funding (note G)	2,562,435
Accounts payable and other accrued liabilities	1,513,540
Borrowers' deposits	150,666
Accrued interest payable	42,883
Deferred income	207,568
Total liabilities	<u>41,777,092</u>

Commitments and contingencies (note I)

STOCKHOLDERS' EQUITY

Common stock, \$1 par value – 4,000,000 authorized; 184,627 shares issued and outstanding	184,627
Capital in excess of par value	2,079,162
Retained earnings	5,728,615
Total stockholders' equity	<u>7,992,404</u>

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY \$ 49,769,496

The accompanying notes are an integral part of these financial statements.

**MASSACHUSETTS BUSINESS DEVELOPMENT CORPORATION
AND SUBSIDIARIES AND AFFILIATE**

Combined Statement of Operations
For the year ended December 31, 2011

Interest income:	
Interest on loans	\$ 2,075,797
Interest on cash and cash equivalents	<u>27,045</u>
Total interest income	2,102,842
Interest expense	<u>256,315</u>
Net interest income	1,846,527
Provision for loan losses (note B)	<u>300,000</u>
Net interest income after provision for loan losses	1,546,527
Non-interest income:	
Loan servicing and processing fees	1,937,865
Contract revenue for loan and other management programs (note B)	871,800
Management fees (note K)	781,563
Income from equity investments (note A)	48,592
Net realized losses on investments	(48,343)
Net unrealized losses on investments	(263,094)
Other income	<u>342,449</u>
Total non-interest income	<u>3,670,832</u>
Total income after provision for loan losses	5,217,359
Non-interest expense:	
Employee compensation and benefits	3,683,086
Rent	212,645
Depreciation and amortization	101,754
Professional services	104,000
Travel and entertainment	189,667
Other expenses	<u>588,644</u>
Total non-interest expense	<u>4,879,796</u>
Income before provision for income taxes (note H)	337,563
Provision for income taxes	<u>128,372</u>
Net income	<u><u>\$ 209,191</u></u>

The accompanying notes are an integral part of these financial statements.

**MASSACHUSETTS BUSINESS DEVELOPMENT CORPORATION
AND SUBSIDIARIES AND AFFILIATE**
Combined Statement of Stockholders' Equity
For the year ended December 31, 2011

	Common Stock		Capital in Excess of Par Value	Retained Earnings	Total Stockholders' Equity
	Shares	Amount			
Balance, December 31, 2010	184,627	\$ 184,627	\$ 2,079,162	\$ 5,547,118	\$ 7,810,907
Net income				209,191	209,191
Dividends paid (\$0.15 per share)				(27,694)	(27,694)
Balance, December 31, 2011	<u>184,627</u>	<u>\$ 184,627</u>	<u>\$ 2,079,162</u>	<u>\$ 5,728,615</u>	<u>\$ 7,992,404</u>

The accompanying notes are an integral part of these financial statements.

**MASSACHUSETTS BUSINESS DEVELOPMENT CORPORATION
AND SUBSIDIARIES AND AFFILIATE**

Combined Statement of Cash Flows

For the year ended December 31, 2011

OPERATING ACTIVITIES:

Net income	\$ 209,191
Adjustments to reconcile net income to net cash provided by operating activities:	
Provision for loan losses	300,000
Depreciation and amortization	101,754
Income from equity investments	(48,592)
Realized loss on investments	48,343
Net unrealized losses on investments	263,094
Prepaid taxes	(8,572)
Changes in assets and liabilities:	
Increase in restricted cash	(399)
Increase in interest receivable	(63,373)
Increase in fees receivable and other assets	(80,599)
Decrease in income taxes payable	(126,740)
Decrease in accounts payable and other accrued liabilities	(16,833)
Decrease in borrowers' deposits	(44,005)
Decrease in accrued interest payable	(213)
Decrease in deferred income	(82,760)
	<hr/>
Net cash provided by operating activities	450,296

INVESTING ACTIVITIES:

Net increase in loans	(7,286,018)
Contributions to/purchases of investments	(1,626,769)
Proceeds from sale of investments	133,934
Purchases of property and equipment	(65,938)
	<hr/>
Net cash used in investing activities	(8,844,791)

FINANCING ACTIVITIES:

Net increase in short term notes payable	3,300,000
State Small Business Credit Initiative proceeds, net	2,562,435
Dividends paid	(27,694)
	<hr/>
Net cash provided by financing activities	5,834,741

Decrease in cash and cash equivalents	(2,559,754)
Cash and cash equivalents, beginning of year	6,088,220
Cash and cash equivalents, end of year	\$ 3,528,466

Supplemental Disclosures of Cash Flow Information:

Cash paid during the year for	
Interest	\$ 251,116
Income taxes	263,684

The accompanying notes are an integral part of these financial statements.

**MASSACHUSETTS BUSINESS DEVELOPMENT CORPORATION
AND SUBSIDIARIES AND AFFILIATE**

Notes to Combined Financial Statements
December 31, 2011

NOTE A - ORGANIZATION

The accompanying combined financial statements include the accounts of Massachusetts Business Development Corporation (“MBDC” or the “Company”) and its wholly-owned subsidiaries, BDC New England, BDC Capital Corporation, BDC Finance Corporation, as well as its affiliate, New England Certified Development Corporation (“NECDC”) (collectively, the “Entities”). NECDC is related by virtue of its common management.

MBDC was formed in 1953 to promote economic development within the Commonwealth of Massachusetts and assists small and middle-market companies in finding solutions to their capital needs through private, state, and federal programs. MBDC also participates in small business loans in conjunction with other banks and/or the Small Business Administration (“SBA”).

BDC New England was formed in November 2004, as a wholly-owned subsidiary, to foster business expansion in all New England states.

BDC Capital Corporation was formed in May 2008, as a wholly-owned subsidiary, to establish a corporate name that better reflects the diverse nature of the financial product offerings of the Entities.

BDC Finance Corporation was formed in November 2009, as a wholly-owned subsidiary, to provide a corporate identity for the Company’s entry into new product lines.

NECDC, which is an affiliate of the Company, was granted certification by the SBA in 1982 under Section 108.503 of the SBA’s Rules and Regulations. NECDC is a regional certified development company licensed under the SBA to provide for the extension of SBA 504 loans.

Equity Investments

MBDC has ownership interests in two investment funds (the “Funds”) that provide debt and equity financing to small businesses. MBDC is the manager of each of the Funds and in that role is responsible for their management and operation. Due to the substantive participating rights of the non-manager members consolidation is not required. As a result, MBDC accounts for its investments in the Funds under the equity method of accounting. In exchange for the managerial and administrative services provided to the Funds, MBDC receives annual management fees (see Note K for additional information). In addition, MBDC may receive an incentive distribution based upon 20% of the cumulative positive earnings of the Funds after the Funds’ members receive 100% of their contributed capital. Due to the uncertainty of this incentive distribution, MBDC defers recognition of this income until received.

**MASSACHUSETTS BUSINESS DEVELOPMENT CORPORATION
AND SUBSIDIARIES AND AFFILIATE**

Notes to Combined Financial Statements - Continued
December 31, 2011

NOTE A – ORGANIZATION - Continued

For the year ended December 31, 2011, the pertinent financial information pertaining to MBDC's investments in the Funds is as follows:

	<u>Ownership Share</u>	<u>Total Net Income/(Loss)</u>	<u>MBDC Share of Net Income/(Loss)</u>
MB Capital Fund II ^(a)	26.40%	\$ (708,071)	\$ (165,153)
MB Capital Fund III	18.54%	\$ 1,265,029	\$ 213,745

- (a) Due to limitations on certain investors in MB Capital Fund II, income/(loss) is not always shared proportionately to each investor's ownership share.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These combined financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The financial statements include the Company's wholly-owned subsidiaries and its affiliate, NECDC. All significant intercompany transactions have been eliminated in consolidation and combination.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Significant estimates made by management include the allowance for loan losses and the valuation of investments.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents consist of demand deposit and money market accounts. The Company considers all highly liquid investments purchased with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash equivalents are carried at cost, which approximates their fair market value.

Restricted cash relates to the Premier Certified Lending Program ("PCLP") agreement with the SBA requiring a minimum of 1% of all outstanding PCLP loans to be set aside to provide collateral for any potential instances of default.

**MASSACHUSETTS BUSINESS DEVELOPMENT CORPORATION
AND SUBSIDIARIES AND AFFILIATE**

Notes to Combined Financial Statements - Continued
December 31, 2011

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Concentration of Credit Risk

The charter of MBDC allows for a broad range of loan and investment activities. MBDC typically engages in lending to smaller companies located throughout New England where the potential for economic expansion and job creation is high. Accordingly, the portfolio includes credits that would not typically be underwritten by regulated financial institutions.

The Company maintains its cash accounts at several major financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. At various times throughout the year, the Company had uninsured balances. The Company does not believe that such deposits are subject to an unusual level of risk.

Operating Leases

The Company recognizes rent expense related to leased office space on a straight-line basis over the term of the lease. The difference between rent expense and rent paid is the result of escalation provisions and any lease incentives, such as free rent periods provided by the lessor and is classified with accounts payable and accrued liabilities in the accompanying balance sheet.

Other Investments

The Company has investments, each representing less than a 20% ownership interest, in several venture funds as of December 31, 2011, which are accounted for at cost. During 2011, the Company's holdings in one of these venture funds were sold to a third party investor, which resulted in a realized loss of \$48,343. The Company evaluates each investment to determine if any impairment exists at each reporting date. There was no impairment charge recorded for the year ended December 31, 2011 related to the investments held. In addition, the Company holds warrants received in connection with a loan which has since been repaid. The warrants are accounted for at fair value. During 2011, the Company recorded a write-down of \$90,000 on these warrants.

Loans Receivable

Loans receivable are secured, in most cases, by mortgages on real estate, security interests in machinery and equipment, accounts receivable, inventories and assignments of leases and life insurance policies. A substantial number of loans are also personally guaranteed. Substantially all loans are made to entities in New England. The majority of loans have repayment terms requiring level monthly principal payments over the terms of the loans, which generally range from 3 to 20 years, plus interest. Substantially all loans are written with variable rate terms.

Interest on loans is recorded based on the principal amount outstanding. Variable rate loans are tied to either the 30 day LIBOR or the prime rate. It is MBDC's policy to cease accrual of interest on loans when the loan repayment status is in excess of 90 days past due. When interest accrual is discontinued, all unpaid accrued interest is reversed. Interest income is subsequently recognized only to the extent cash payments are received, until such time as the loan is returned to accrual status.

**MASSACHUSETTS BUSINESS DEVELOPMENT CORPORATION
AND SUBSIDIARIES AND AFFILIATE**

Notes to Combined Financial Statements - Continued
December 31, 2011

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

At December 31, 2011, notes receivable on non-accrual status amounted to \$538,973.

Nonrefundable loan origination fees and certain direct loan origination costs are deferred and recognized as an adjustment of the yield of the related loan. At December 31, 2011, net deferred costs of \$77,463 are included in the accompanying combined balance sheet.

In the opinion of management, the fair value of loans receivable approximates carrying value.

Allowance for Loan Losses

The adequacy of the allowance for loan losses is evaluated on a periodic basis throughout the year by management. The allowance for loan losses is maintained at a level that represents the Company's best judgment of the inherent loss of the loan portfolio. Factors considered in evaluating the adequacy of the allowance include previous loss experience, current economic conditions and their effect on borrowers, the performance of individual loans in relation to contract terms and estimated fair values of underlying collateral. The provision for loan losses charged to operations is the amount necessary to maintain the allowance at a level adequate to absorb inherent losses. Loan losses are charged against the allowance when management believes that the collectability of the principal is unlikely.

The allowance for loan losses is based on estimates and ultimate losses may vary from these estimates. The estimates are reviewed periodically, with any necessary adjustments reported in earnings in the period in which they become known.

Impaired Loans

A loan is impaired when, based on current information and events, it is probable that a creditor will be unable to collect all amounts due according to the contractual terms of the loan agreement. Management considers all loans on nonaccrual status with insufficient collateral to be impaired. Impaired loans are measured based on the present value of expected future cash flows discounted at the loan's effective interest rate or, as a practical expedient, at the loan's observable market price or the fair value of the collateral if the loan is collateral-dependent. When the measure of the impaired loan is less than the recorded investments in the loan, the impairment is recorded through a valuation allowance.

**MASSACHUSETTS BUSINESS DEVELOPMENT CORPORATION
AND SUBSIDIARIES AND AFFILIATE**

Notes to Combined Financial Statements - Continued
December 31, 2011

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Information related to impaired loans as of December 31, 2011 is as follows:

Total impaired loans at year-end	\$	538,973
Average outstanding balance of impaired loans during the year		872,306
Total impaired loans requiring an allocation of the allowance for losses		538,973
Allocation of allowance for losses for impaired loans		-

In accordance with MBDC's policy, no interest income was recognized on loans during the period in which they were classified as impaired.

Section 503 and 504 Loans

On behalf of the SBA, NECDC grants long-term loans to small business concerns in New England that generate further economic activity and employment within New England. Serving as a conduit between the SBA and borrowers, NECDC administers and services the loans originated through the SBA Sections 503 and 504 lending programs. Long-term loans granted to small businesses are funded through the sale of debentures by and on behalf of the SBA that are subsequently marketed to the investing public through the Federal Financing Bank or private investors. Since a borrower is obligated to the SBA, the Federal Financing Bank or private investors, loans receivable and debentures payable are not recorded as assets and liabilities, respectively, by NECDC or the Company. As of December 31, 2011, NECDC services loans with an outstanding balance of \$189,236,000.

NECDC is a PCLP agent for the SBA with authority to approve, close and service SBA Section 504 loans without individual loan authorization from the SBA. In consideration of the services provided and income earned by NECDC, for each loan processed as a PCLP agent, NECDC is required to place 1% of the loan balance in a restricted bank account with joint access by NECDC and the SBA. Such amount is available to absorb losses on such loans for which NECDC assumes a maximum exposure of up to 10% of all losses.

At December 31, 2011, \$10,095,000 in loans were outstanding under PCLP. NECDC has placed an amount in excess of the required 1%, or \$160,000, of the total loan balance in a restricted cash account. Since the Company assumes all expenses of NECDC a liability for the estimated loss is recorded by the Company.

At December 31, 2011, the SBA, through NECDC, had 62 loan commitments totaling approximately \$42,317,000 that are outstanding under the SBA's Section 504 lending program.

Loan Servicing Rights

In November 2005, the SBA assigned the portfolio servicing rights of the Section 504 loan portfolio with an outstanding principal balance of \$20.4 million of Commercial Loan Partners to NECDC. As part of the assignment, NECDC assumed certain liabilities of Commercial Loan Partners in the amount of \$241,097 and recorded an intangible asset in that amount. The servicing rights are being amortized using the proportional method. Amortization amounted to \$18,790 for the year ended December 31, 2011.

**MASSACHUSETTS BUSINESS DEVELOPMENT CORPORATION
AND SUBSIDIARIES AND AFFILIATE**

Notes to Combined Financial Statements - Continued
December 31, 2011

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Servicing rights are evaluated for impairment based upon the fair value of the rights as compared to amortized costs. Fair value is determined by reviewing the market value of similar servicing portfolios.

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over the shorter of the lease term or the estimated useful life of the asset. Upon sale or retirement, the asset cost and related accumulated depreciation are removed from the respective amounts, and any gain or loss is reflected in operations. Ordinary maintenance and repair costs are expensed as incurred.

Depreciation is based on the following estimated useful lives:

Furniture and fixtures	10 years
Computer equipment	5 years
Leasehold improvements	Useful life or term of lease, whichever is shorter
Vehicles	4 years

Transfers of Financial Assets

Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Company, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and (3) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

During the normal course of business the Company may transfer a portion of a financial asset, for example, a participant loan. In order to be eligible for sales treatment, the transfer of the portion of the loan must meet the criteria of a participating interest if it does not meet the criteria of a participating interest, the transfer must be accounted for as a secured borrowing. In order to meet the criteria of a participating interest, all cash flows from the loan must be divided proportionately, the rights of each loan holder must have the same priority, the loan holders must have no recourse to the transferor other than standard representations and warranties and no loan holder has the right to pledge or exchange the entire loan. At December 31, 2011, there were no transfers of financial assets that were accounted for as secured borrowings.

**MASSACHUSETTS BUSINESS DEVELOPMENT CORPORATION
AND SUBSIDIARIES AND AFFILIATE**

Notes to Combined Financial Statements - Continued
December 31, 2011

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Service, Processing Fees and Interest Income

NECDC earns processing fees up to 1.5% of the original loan balance when the debenture is sold by the SBA to the Federal Financing Bank or private investors. After the SBA funds each loan, at which time the 1.5% fee is recognized in income, NECDC is responsible for managing and servicing the lending relationship with the customer on behalf of the SBA. This includes monitoring payment status, performing site visits to the customer, obtaining updated financial information and other credit monitoring services. NECDC earns monthly service fees for performing this work.

In addition to these fees, NECDC also earns a share of the interest on the “float” related to SBA loans. Customers make monthly loan payments to the SBA. These loan payments are used by the SBA to make the payments on the debentures. Since the debentures require only semi-annual payments, the SBA earns interest on the float, which is shared with NECDC on a pro rata basis.

Loans and Other Management Programs

MBDC serves as administrator for various loan programs for the Commonwealth of Massachusetts. These programs were designed to simplify borrowings for small business owners and to provide access to capital where access to borrowings is difficult to obtain. Since MBDC only administers these programs, loans receivable are not recorded as assets. In return for administering these programs, MBDC receives monthly fees and is reimbursed for certain operating costs, as defined by the respective programs.

Income Taxes

The Company accounts for income taxes using the liability method whereby deferred tax asset and liability account balances are determined based on temporary differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates that will be in effect when the differences are expected to reverse.

The Company records deferred tax assets to the extent it believes there will be sufficient future taxable income to utilize those assets upon reversal of the temporary differences. To the extent deferred tax assets may be unable to be utilized, the Company records a valuation allowance against the potentially unrealizable amount and records a charge against earnings.

**MASSACHUSETTS BUSINESS DEVELOPMENT CORPORATION
AND SUBSIDIARIES AND AFFILIATE**

Notes to Combined Financial Statements - Continued
December 31, 2011

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The calculation of the Company's tax liabilities involves uncertainties in the application of complex tax regulations in several different tax jurisdictions. The Company is periodically reviewed by tax authorities regarding the amount of taxes due. These reviews include questions regarding the timing and amount of deductions. In evaluating the exposure associated with various filing positions, the Company records a liability based on a more-likely-than-not recognition threshold. The Company had no uncertain tax positions requiring recognition as a liability at December 31, 2011.

Due to ever-changing tax laws and income tax rates, significant judgment is required to estimate the effective tax rate that will apply to tax differences that are expected to reverse in the future. The Company must also make estimates about the sufficiency of taxable income in future periods to offset any deductions related to deferred tax assets currently recorded. These estimates could have a significant impact on the combined financial statements.

NOTE C - LOANS RECEIVABLE AND ALLOWANCE FOR LOAN LOSSES

Loans receivable at December 31, 2011 consisted of the following:

Term loans	\$ 34,655,631
Revolving lines of credit	<u>5,051,500</u>
	39,707,131
Deferred loan origination costs and fees	77,463
Allowance for loan losses	<u>(1,368,415)</u>
Loans, net	<u>\$ 38,416,179</u>

Activity in the allowance for loan losses for the year ended December 31, 2011 was as follows:

Balance at December 31, 2010	\$ 1,468,415
Provision for loan losses	300,000
Loan write off	<u>(400,000)</u>
Balance at December 31, 2011	<u>\$ 1,368,415</u>

The Company uses a five grade internal loan rating system for all loans in its portfolios as follows:

Loans rated (P) – Pass – Loans in this category are considered “pass” rated loans with low credit risk

Loans rated 4 – OAEM (Other Asset Especially Mentioned) – Loans in this category have or have had minor credit quality concerns and are being monitored by Company management.

**MASSACHUSETTS BUSINESS DEVELOPMENT CORPORATION
AND SUBSIDIARIES AND AFFILIATE**

Notes to Combined Financial Statements - Continued
December 31, 2011

NOTE C – LOANS RECEIVABLE AND ALLOWANCE FOR LOAN LOSSES - Continued

Loans rated CE – OAEM (Collateral Exception – Other Asset Especially Mentioned) – Loans in this category exhibit or have exhibited characteristics of a loan rated 4 – OAEM, but with exceptional collateral position as a mitigation to credit risk.

Loans rated 5 – Substandard – Loans in this category exhibit specific credit weakness and are being closely monitored by Company management.

Loans rated 6 – Doubtful – Loans in this category exhibit the characteristics of a loan rated 5 – Substandard, with the additional characteristic that collection or liquidation in full would be improbable.

The following table represents the Company's loans, net of SBA and other guarantees, by risk rating at December 31, 2011:

Pass	\$	18,926,979	60.7%
OAEM - CE		9,625,470	30.9%
4 - OAEM		1,794,487	5.8%
5 - Substandard		259,584	0.8%
6 - Doubtful		<u>591,966</u>	<u>1.8%</u>
	\$	<u>31,198,486</u>	<u>100.0%</u>

At December 31, 2011, one loan with a carrying value of \$538,973 was delinquent in excess of 90 days. All other borrowers were current in their payments.

Specific loan loss reserves have been established for all 5 and 6 rated loans. The established reserves for these loans are adequate to cover management's estimates of potential loan losses should liquidation be required.

**MASSACHUSETTS BUSINESS DEVELOPMENT CORPORATION
AND SUBSIDIARIES AND AFFILIATE**

Notes to Combined Financial Statements - Continued
December 31, 2011

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2011:

Furniture and fixtures	\$ 87,976
Computer equipment	213,750
Leasehold improvements	79,312
Vehicles	<u>131,251</u>
	512,289
Accumulated depreciation	<u>(374,193)</u>
	<u>\$ 138,096</u>

Depreciation expense was \$82,964 for the year ended December 31, 2011.

NOTE E - FAIR VALUE MEASUREMENTS

MBDC measures the fair value of certain assets and liabilities based upon valuation techniques that include observable and unobservable inputs and assumptions that market participants would use in pricing these assets and liabilities and uses a fair value hierarchy that prioritizes the information used to develop those assumptions.

The fair value hierarchy is summarized as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table represents the fair value hierarchy for the Company's financial assets measured at fair value on a recurring basis as of December 31, 2011.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities	\$ 773,515	\$	\$	\$ 773,515
Common stock warrants	<u> </u>	<u> </u>	254,000	<u>254,000</u>
Total	<u>\$ 773,515</u>	<u>\$ -</u>	<u>\$ 254,000</u>	<u>\$ 1,027,515</u>

**MASSACHUSETTS BUSINESS DEVELOPMENT CORPORATION
AND SUBSIDIARIES AND AFFILIATE**

Notes to Combined Financial Statements - Continued
December 31, 2011

NOTE E - FAIR VALUE MEASUREMENTS - Continued

During 2011, there were no fair value write-downs required to be made to assets that are accounted for at a fair value on a non-recurring basis. These assets are loan servicing rights of \$125,000 and other investments of \$846,000. During 2011, the Company sold its interests in one of these investments resulting in a realized loss of \$48,343.

NOTE F - NOTES AND LOANS PAYABLE TO MEMBERS

MBDC obtains funds from the sale of its stock and loans from financial institutions, primarily banks and insurance companies. As Members of MBDC, such institutions are contractually obligated to lend money to the Company upon call according to the MBDC charter and terms of their membership agreements. Such loans are made on terms consistent with the existing outstanding member note series as indicated in the conditions of membership.

MBDC's outstanding borrowings from its Members are unsecured and consist of the following:

<u>Series</u>	<u>Interest Rate</u>	<u>Date Due</u>	<u>Amount</u>
VV	30 Day LIBOR plus 1/2%	June 5, 2012	\$ 9,000,000
WW	30 Day LIBOR plus 1/2%	July 27, 2014	7,000,000
XX	30 Day LIBOR plus 1/2%	September 10, 2014	8,000,000
YY	30 Day LIBOR plus 1/2%	September 30, 2015	<u>10,000,000</u>
			<u>\$ 34,000,000</u>

The Member notes were issued with an original maturity period of five years. The weighted average interest rate during 2011 was 0.7362% on the Member notes and other short-term borrowings on the Company's line of credit. The fair value of the notes payable is considered to approximate their carrying value as of December 31, 2011.

The interest rate on the Member notes is adjusted monthly. Interest is payable semi-annually in arrears. Principal and interest can be prepaid at any time without penalty.

At December 31, 2011, MBDC could borrow up to approximately \$94,000,000 of additional funds from Members.

In addition, the Company has a line of credit agreement with Bank of America which is scheduled to expire on May 22, 2012 and is renewable annually. This agreement permits the Company to borrow up to \$5,000,000 with interest at either the prime rate or LIBOR based rates. At December 31, 2011, \$3,300,000 was outstanding on the line of credit.

NOTE G - STATE SMALL BUSINESS CREDIT INITIATIVE

In December 2011, the Company received the first installment of \$2,697,300 from the Commonwealth of Massachusetts (the "State") under a Federal economic development incentive program entitled "State Small Business Credit Initiative ("SSBCI"). The Company has been informed by the State that additional amounts may be available in the future. Funds received under the SSBCI, net of an allowance for administrative fees of 5%, are to be leveraged in conjunction with other participating lenders for qualifying loan programs and to fund existing "capital access" programs maintained by various banks.

**MASSACHUSETTS BUSINESS DEVELOPMENT CORPORATION
AND SUBSIDIARIES AND AFFILIATE**

Notes to Combined Financial Statements - Continued
December 31, 2011

NOTE G - STATE SMALL BUSINESS CREDIT INITIATIVE - Continued

At December 31, 2011, no loans or capital access payments had been made. The Company has classified the funds received as a liability in the accompanying balance sheet.

During the first quarter of 2012, the Company has funded loans and made capital access payments so as to substantially utilize the first installment of SSBCI funds.

NOTE H - INCOME TAXES

The components of the provision for income taxes for the year ended December 31, 2011 are as follows:

Current	\$ 136,944
Prepaid	<u>(8,572)</u>
Total	<u>\$ 128,372</u>

The components of the net deferred tax asset at December 31, 2011 are as follows:

Deferred tax assets:	
Allowance for loan losses	\$ 104,413
Unrealized loss on investments	421,796
Accrued expense	264,419
Capital loss carryforward	<u>147,663</u>
Gross deferred tax assets	<u>938,291</u>
Less: valuation allowance	<u>(164,099)</u>
Deferred tax assets	774,192
Deferred tax liabilities:	
Partnership pass-throughs	188,052
Depreciation and amortization	23,312
Deferred loan origination costs	<u>8,506</u>
Deferred tax liabilities	<u>219,870</u>
Net deferred tax asset	<u>\$ 554,322</u>

A valuation allowance is required against deferred tax assets if it is more likely than not that some or all of the deferred tax assets will not be realized. The Company established a valuation allowance of \$164,099 as of December 31, 2011.

As of December 31, 2011, the Company had capital loss carryforwards of \$434,301 which begin to expire in 2012.

**MASSACHUSETTS BUSINESS DEVELOPMENT CORPORATION
AND SUBSIDIARIES AND AFFILIATE**

Notes to Combined Financial Statements - Continued
December 31, 2011

NOTE H - INCOME TAXES - Continued

The Company's effective tax rate in 2011 was 38.0%, or 4.0% higher than the Federal statutory tax rate of 34.0% due primarily to state income taxes.

The Company adopted the accounting guidance related to uncertainty in income taxes on January 1, 2009. As a result of the adoption, the Company did not recognize a liability as it believes it does not have any uncertain tax positions at December 31, 2011. Interest and penalties, if applicable, would be included as a component of income tax expense. The Company's open tax years for Federal and most state income tax purposes are 2008 to 2011.

NOTE I - COMMITMENTS AND CONTINGENCIES

MBDC leases its main office location under a non-cancelable operating lease that expires on June 30, 2017. MBDC also leases a satellite office location in Hartford, CT under a non-cancellable lease expiring on November 10, 2012, and has three sub-lease agreements for office space in Providence, RI; Portland, ME; and Concord, NH where MBDC is a tenant-at-will. Rent expense was \$212,645 in 2011. At December 31, 2011, future minimum lease payments were as follows:

2012	\$ 182,837
2013	161,298
2014	164,843
2015	166,615
2016	168,388
Thereafter	85,080

The Company had \$1,481,812 in investment commitments outstanding at December 31, 2011. In addition, there were \$1,078,000 in loan commitments at December 31, 2011.

NOTE J - EMPLOYEE BENEFITS

MBDC may make discretionary contributions to its employees' individual retirement accounts. During 2011, MBDC contributed \$320,571 to these accounts.

NOTE K - RELATED PARTY TRANSACTIONS

MBDC acts as the fund manager for the Funds, receiving a management fee from each of these Funds for providing personnel, office space, supplies, and operating administrative and clerical services. The Funds have agreed to pay MBDC, on a quarterly basis, an annual management fee of 2.5% of the total committed capital of each Fund for these services until the respective closing dates of each Fund. The management fee is subject to reductions from this rate as defined by the limited liability agreements of each Fund. Total management fees earned in 2011 were \$781,563.

**MASSACHUSETTS BUSINESS DEVELOPMENT CORPORATION
AND SUBSIDIARIES AND AFFILIATE**
Notes to Combined Financial Statements - Continued
December 31, 2011

NOTE L – SUBSEQUENT EVENTS

The Company evaluates its December 31, 2011 financial statements for events through March 30, 2012, the date the financials were available to be issued.

On March 21, 2012, MBDC extended an offer to purchase up to 88,188 shares of its outstanding common stock for \$16.19 per share.