

SBIC Program Speaks at CAEDA Quarterly Breakfast

By Noelle Wernsman

CAEDA held its Summer Quarterly Breakfast on June 23 at the Petroleum Club. Speaking at this event was Ryan Whitehead and Mike Martin of the newly introduced Wyoming Small Business Investment Credit Program. The Small Business Investment Credit Program is a subdivision of the Wyoming Business Council (WBC). It was implemented on January 3 and was enacted by the Wyoming Legislature in 2010.

Whitehead and Martin gave an overview of what the program is. This program is essentially designed to provide an alternative source of capital to Wyoming small businesses and entrepreneurs. Furthermore, this program has been designed to stimulate job creation.

In order to enter the program, venture capital companies must receive certification by the WBC to act as a Wyoming Small Business Investment Company (SBIC) to invest designated capital into qualified businesses. The SBIC's investments should stimulate job creation by making capital available to Wyoming businesses. Participating investors in SBIC's are insurance companies with premium tax liability to the State of Wyoming. The insurance companies in turn receive a tax credit equal to the amount of their investment. In 2010, the Wyoming Legislature set a limit of \$30 million for this program.

To receive certification, the proposed SBIC will file an application with the WBC, and needs to be located, headquartered and licensed to conduct business in Wyoming and have at least five years of experience.

When the SBIC receives certification and funding, they will invest money into "qualified businesses." The money is invested in the form of a debt instrument or equity purchase.

Qualified businesses:

- Are headquartered in Wyoming, its principal operations are located in Wyoming, at least 60 percent of the employees are employed in Wyoming or the business has committed in writing to move to Wyoming as a condition of the investment
- Have provided evidence acceptable to the WBC of its intent to remain in Wyoming after receipt of the qualified investment
- Have 100 employees or less

- Are not a franchise
- Are not predominately engaged in:
 - Professional services provided by accountants, doctors, or lawyers
 - Banking or lending
 - Insurance
 - Direct gambling activities

For more information on this program, please contact Ryan Whitehead at 307-777-2882 or ryan.whitehead@wybusiness.org.



Ryan Whitehead and Mike Martin speak during the Quarterly Breakfast.