

**COMMUNITY-BASED ECONOMIC DEVELOPMENT (CBED)
ADVISORY COUNCIL MEETING
Tuesday, September 19, 2023, 10:00 a.m.**

Old Business

Approval of CBED Advisory Council Meeting Minutes for
May 16, 2023



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKA'I

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LI. GOVERNOR

JAMES KUNANE TOKIOKA
DIRECTOR

DANE K. WICKER
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: dbedt.hawaii.gov

Telephone: (808) 586-2355
Fax: (808) 586-2377

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM (DBEDT)

**MINUTES OF THE COMMUNITY-BASED ECONOMIC DEVELOPMENT (CBED)
ADVISORY COUNCIL MEETING**

TUESDAY, MAY 16, 2023, AT 10:00 A.M.

Department of Business, Economic Development and Tourism

250 South Hotel Street, 5th Floor

Conference Room 503, Honolulu, Hawaii 96813

AND VIA VIRTUAL APPLICATION ZOOM: VIDEO/AUDIO CONFERENCE

Advisory Members Present were:

Nancy Elvira Lo (Chair)	-	Advisory Council Member (Oahu)
Karen Barr	-	Advisory Council Member (Oahu)
Casey Brown	-	Office of Hawaiian Affairs (Ex-Officio)
Jane Horike	-	Advisory Council Member (Hawaii/Hilo)
Matthew Loke	-	Department of Agriculture (Ex-Officio)
Colleen McAluney	-	Advisory Council Member (Oahu)
Roberta Melton	-	Advisory Council Member (Kaua'i)
Teena Rasmussen	-	Advisory Council Member (Maui)
Mark Ritchie for Dennis Ling, (Ex-Officio)	-	Department of Business, Economic for Development & Tourism

Guests:

Aaron Ellis	-	Director of Programs and Lending, Feed the Hunger Fund (FTHF)
Keoki Noji	-	Economic Development Administration (EDA),

- Nainoa Logan - Development Representative for the Pacific
Waianae Economic Development Council (WEDC)
- Shavone Lave - Loan Officer, WEDC

Staff:

- Elise Amemiya - Attorney General's Office for DBEDT
- Lyle Fujikawa - DBEDT
- Wayne Thom - DBEDT
- Timothy Tiu - DBEDT
- Keala Pruet - DBEDT

Apologies:

- Kaleokalani Kuroda - Advisory Council Member (Oahu)

CALL TO ORDER:

Mr. Ritchie called the meeting to order on Tuesday, May 16, 2023, at 10:05 a.m. All members and guests participated via ZOOM.

Welcome Current Council Members and Introduction of any Guests:

Mr. Ritchie welcomed and thanked all present. He announced that he was the DBEDT's Ex/Officio, a voting member representing Mr. Ling and asked the members to introduce themselves and indicate if they were alone at their respective locations.

Mr. Ritchie introduced Mr. Aaron Ellis to discuss the underwriting for a loan. He also introduced Mr. Keoki Noji to talk about his role at the EDA, which is funding the CBED Loan Program, and if anyone had any questions. Mr. Ritchie mentioned that Mr. Noji would need to leave afterwards for another meeting.

Mr. Noji appreciated the opportunity to the meet and said he is the new Economic Development Representative (EDR) for the EDA for the Pacific. He said the EDR is basically like a customer service representative, involved mostly with pre-award activities. He said to reach out to him if there are questions when putting together an application. Mr. Noji said he is based out of the Seattle Regional Office in the Seattle Region, which has specific programs: such as Public Works, Economic Adjustment Assistance Programs. Mr. Noji said his office does not have much control of the

programs coming out of headquarters in Washington DC, but mentioned if you cannot find information online, please reach out to him if you need to reach headquarters.

Mr. Ritchie said they had a good meeting with Mr. Frank Wessbecher, who is our revolving loan fund contact in the Seattle office. Their discussion was about trying to get additional monies or grants to grow our CBED Loan Program. Mr. Ritchie asked if anyone had questions for Mr. Noji, who is in Honolulu most of the time but goes to the Seattle office occasionally.

Mr. Noji said the EDA field office was closed during Covid and that he works remotely but would be happy to meet anyone at their office, wherever convenient, by phone call, virtual meeting, or reached through Mr. Ritchie or Mr. Thom. Mr. Noji thanked the members and left the meeting.

Mr. Ritchie introduced DBEDT 'ohana: Wayne Thom, Lyle Fujikawa, Timothy Tiu, Keala Pruet-filling in for Selma Malcolm. He introduced Mr. Nainoa Logan who just arrived to the meeting to listen in.

OLD BUSINESS:

Approval of CBED Advisory Council Meeting Minutes for February 21, 2023:

The Minutes of the meeting were distributed and reviewed by the Council. Mr. Ritchie asked if there were any comments and/or corrections to the Minutes. Hearing none, he asked for a motion to approve the Minutes.

Ms. Horike, so moved and Ms. Melton seconded the motion to approve the Minutes of February 21, 2023, as presented. He then asked Ms. Pruet to take the role call votes for that meeting.

Ms. Amemiya - AG, assisted Ms. Pruet with the motion to approve the Minutes of February 21, 2023 meeting, taking a vote of the members who were present at today's meeting. AG Amemiya instructed that everyone was assumed to have read the minutes of that meeting, unamended, and reminded the members that a motion was made by Ms. Horike and seconded by Ms. Melton. AG Amemiya took the votes of the following Council members approving the motion: Mr. Ritchie, Ms. Barr, Ms. Horike, Ms. McAluney, Ms. Melton, Ms. Rasmussen, Mr. Brown, Mr. Loke, and Chair Lo.

Motion to adopt the February 21, 2023 Minutes was approved unanimously.

Mr. Ritchie introduced Ms. Shavone Lave, Loan Officer at WEDC, who just arrived to the meeting.

NEW BUSINESS:

Mr. Ritchie announced the next agenda item for recommendation and approval of CBED Loan of \$60,000 to Koko Kai Foods LLC dba Koko Kai Yogurt in co-lending with Feed the Hunger Fund (FTHF) which is also lending \$60,000. The loan will be used for the purchase of new yogurt production and bottling equipment, building a cold room,

building out a new warehouse space, and working capital to help with bulk purchases of packaging materials. Underwriting review today is by Mr. Aaron Ellis, Director of Programs and Lending, FTHF.

Mr. Ellis said he assumes everyone has read the materials and will go through and highlight, mentioned that Mr. Ritchie covered the key points about the loan. Mr. Ellis discussed that FTHF has already approved the \$60,000, that was deployed last week Thursday or Friday.

Mr. Ellis gave a quick background that the company started in the year 2020 as a Covid project, the two principals were working as a private chef, caterer, and website developer. Both were significantly impacted by the global pandemic. Then they started Koko Kai Foods, dba. Koko Kai Yogurt, manufacturing a gluten-free, dairy-free coconut-based yogurt product. Mr. Ellis explained the product is sold in 84 places in Hawaii, including Safeway, Whole Foods, Foodland, Commissaries at NEX. As of March of 2023, the company started selling in Southern California at Erewhon, which has high-end, grocery stores in Los Angeles and Venice Beach. Positioned as a “niche” product that ranges \$9 – 10 dollars per glass jar, and sells a larger size, too. The company incorporate as much local ingredients and flavoring as possible but are unable to source the coconut locally because Mr. Ellis notes the market does not exist here (Hawaii) for them. He said that they secure a fair-trade product from Sri Lanka.

Mr. Ellis informed the Council that the revenue has been growing steadily at an increase month-over-month growth rate. He said the loan is designed to increase the production capacity, improve operational efficiency, and reduce packaging costs. She (the company’s owner) is going to make bulk purchases for the packaging to reduce those costs, resulting in improved revenue growth and slower growth of expenses.

Mr. Ellis said the owner is looking for a new, larger site. The current location is renewed annually, and the building is for sale, although she has a good relationship and an agreement with the landlord whereby if the property is sold, she will be allowed time to vacate. She is in discussion to secure a larger location according to Mr. Ellis’ latest conversation with her.

Mr. Ellis reported that the math of the underwriting, and that the quick ratio is the ability to serve her current debts with her current cash-flow within the next 12-month period is good. He explained the total assets/liabilities ratio places her in a positive net position. Collateral coverage is decent which is a discounted value of her assets, which includes business vehicles, current and new equipment to be purchased, inclusive of the FTHF of \$60,000 and the CBED-DBEDT \$60,000.

Mr. Ellis explained her global debt service coverage ratio, which is the ability to service the debt, is based on 2022. This means that she has the ability to service her debt with her cash-flow after paying all expenses. Her year-to-date projections for 2023 should be achieved and offset any potential risk. She has a cash reserve to cover potential expenses that may arise.

Mr. Ritchie asked if anyone had questions for Mr. Ellis regarding the underwriting.

Mr. Brown stated he did not have questions about the business itself but did not see any mention in the materials given regarding Enterprise Zones. He mentioned that part of our “kuleana” is alignment with the goals of this office and looks to service the areas that the goals lay out.

Mr. Ritchie stated he did not check the address, currently in Kakaako. (Note from CBED staff: the company is located a block away from the Urban Honolulu EZ). He will discuss with her that when she moves to the new location it would be helpful to the company to move into an Enterprise Zone area and take advantage of the tax credits that the program offers. He continued that she checks off other boxes: a manufacturer, valued as a food or agricultural product, and is a woman-owned business.

Ms. Rasmussen said she read the owner is working out of a kitchen lab in Kakaako, asking if there was an incubator set-up, and is worried what would she find for more space, which might cost more rent.

Mr. Ellis informed the members that the current location is 1200 sq. ft., and a commercial kitchen incubator space would be an apropos description. He further mentioned she is in discussions with potential alternative spaces. Ms. Rasmussen noted that moving and not knowing what her next rent is going to be was a concern.

Mr. Ellis agreed that was a valid point/concern, although was comfortable with his discussions with the owner, as a potential borrower, is a financially astute business person, making educated business decisions moving forward.

Ms. Rasmussen noted the owner is working with Sultan Ventures, asking what their role was with her company.

Mr. Ellis said she worked with Sultan Ventures early on in terms of Pre-X or one of the running incubators. Sultan continues to provide support on her business plan and model.

Mr. Logan mentioned that Pre-X has coaching sessions for up to 12 months, then charges for the one-on-one coaching sessions afterwards.

Mr. Ritchie asked the members if there were any other questions for Mr. Ellis.

There was some confusion about the company’s address. Mr. Ellis confirmed the company address is at Queen Street.

Mr. Ritchie asked the Council if they want to make a motion to recommend to the DBEDT Director to approve this loan.

Ms. Horike made a motion to recommend to the DBEDT Director to approve the loan, Chair Lo seconded the motion.

Mr. Ritchie directed Ms. Pruet that this was a motion to the Director to approve the loan to Koko Kai Foods, and to take the roll call for the votes.

Mr. Brown asked if he could vote yes to approve the loan with reservations due to the Enterprise Zone issue.

Mr. Ritchie said Mr. Brown could state his position on the vote and it would be noted in the minutes. He then stated we would reach out to the owner as she looks for new facilities and to make sure she understands the Enterprise Zone Program for consideration on her move, as well as creating jobs within her company.

Mr. Ritchie took the roll call to approve the votes to approve the loan by the following Council members approving the motion: Ms. Barr, Ms. Horike, Chair Lo, Ms. McAluney, Ms. Melton, Ms. Rasmussen with reservations regarding future rent, Mr. Brown with reservations regarding Enterprise Zones, Mr. Ritchie, Mr. Loke.

Motion to approve the loan was approved unanimously by all members.

Mr. Ellis thanked the members and exited the meeting.

CBED Outreach and Marketing Program for 2023 and Discussion

Mr. Ritchie listed some of the CBED Outreach and Marketing Program items his office is working on. He informed Ms. Rasmussen that his office went into the Maui Economic Development Meeting and did a presentation on the CBED Loan program and had a follow up meeting with Gary Albitz.

Mr. Ritchie noted on May 25, 2023, he is doing a presentation as part of the SBA Program on alternative financing at First Foundation Bank. He announced coordination with HTDC on the neighbor island outreach program. Mr. Ritchie noted to Ms. Melton that on June 1, 2023, colleague Jamie Lum will do a presentation of the CBED Loan Program and Enterprise Zones Program.

Ms. Melton informed the Council that the June 1, 2023 meeting will be 3 to 5 p.m. Ms. Melton said she is expecting a big crowd. Mr. Ritchie noted Ms. Melton was holding that meeting in-person.

Mr. Ritchie discussed the organization of the Small Business Fair at Leeward Community College (LCC), slated for September 16, 2023, working with SBA, SBDC, and the Office of Economic Revitalization. Mr. Ritchie advised Ms. McAluney someone would discuss with her helping with the planning, believing this event is a good target market for the services of the Patsy Mink Center. Mr. Ritchie noted Mr. Logan and Ms. Lave will also be at the Fair and thanked them.

Mr. Ritchie mentioned that his office is always looking for more venues to offer the Loan Programs, and synergistic programs by DBEDT. He asked if there were opportunities, please to contact him. He asked if there were questions regarding outreach.

Mr. Loke asked Mr. Ritchie if he is working with Chancellor Carlos on the Small Business Fair at LCC. Mr. Ritchie noted that the same people that worked before at this event will be present.

Mr. Ritchie noted the fair is a half-day on Saturday morning with 30 to 35 exhibitors, business support service providers, either private or non-profit, helping businesses get started and grow. He said there are noted about 20-25 classes offered with 4 slots, ranging from QuickBooks, marketing, business development, business registration, and alternative lending. Mr. Ritchie recalled working with Mr. Logan last year on alternative lending, talking about what it takes for small businesses to get loans and to consider keeping good records and books.

Mr. Loke informed the members there's a culinary school tied into the Wahiawa Incubator Program, conducting job training at LCC and at the High Schools (HS) in that area, reaching from Leilehua HS to Campbell HS. He noted the tie in is very good.

Mr. Ritchie believes there will be a table at the fair for the Wahiawa Center and some other opportunities there. The Department of Agriculture will be at the Small Business Fair too.

Mr. Thom informed Mr. Loke that he could contact the new loan division head who when the invitations go out for exhibitors of this event, looking at more resources for small businesses, which would be helpful. Mr. Thom noted WEDC will join the planning committee to get the word out. He mentioned that Mr. Logan and Ms. Lave are doing lots of training for small businesses reaching the Waianae coast, Kapolei, Ewa area, and getting the word out more to the public and to small businesses there.

Mr. Loke discussed two projects coming out in the coming year. One is the Food Hub for various projects across the State. Second is the Farmer's Mentorship Training Program for food production, tied into the Wahiawa Incubator Program through LCC.

Mr. Logan asked Mr. Loke for those businesses using the incubator, in hopes a few will take off. He noted that the air refrigerator capacity is tight. Mr. Logan asked if there were other storage spaces or resources for more successful companies to go to for more refrigerator space.

Mr. Ritchie said his office had a good meeting with Chris Bailey, the operations person running that center and the same questions came up.

Mr. Loke discussed that Mr. Bailey was from an incubator program in Oregon, hired recently by Chancellor Carlos. He mentioned his understanding that there is focus on hyperbaric chamber. The center will produce more food and distribute to different districts. Mr. Ritchie thanked Mr. Loke.

Mr. Ritchie asked Ms. Rasmussen Teena if she met Gelene Arcilla, the new Enterprise Zones (EZ) Coordinator on Maui in the Mayor's office. Ms. Rasmussen replied she did not. He said we have new EZ coordinators on all the islands and had a training session for them recently.

Mr. Ritchie announced that Mr. Thom is retiring at the end of June 2023. This may be the last time to see Mr. Thom. He said we'll let the Council know about the June CBED meeting in a couple weeks. Mr. Ritchie congratulated Mr. Thom and gave well wishes on his retirement.

He thanked CBED for support during Covid and the Zoom meetings kept everything together in the communities. He noted it was difficult to make connections because of the pandemic restrictions to meet face-to-face and see the major problems in the community. Mr. Thom recognized the members have made an impact and in his 26 years the CBED Council Members have been like family.

Mr. Ritchie noted that Mr. Thom will still be here for 1-1/2 months more and Council members can reach out to him. He stated the CBED Program wishes Mr. Thom all the best and said we'll be looking for Mr. Thom's replacement in the Summer.

Mr. Ritchie announced that the meeting was at 45 minutes and asked if anyone would like to motion to adjourn the meeting

Mr. Brown moved to adjourn the meeting, and this was seconded by Ms. Horike. All members were in favor.

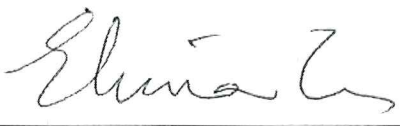
NEXT MEETING

June 20, 2023, 10:00 a.m.

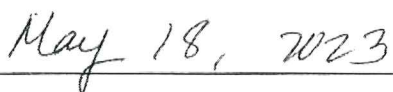
ADJOURNMENT

The meeting was adjourned at 10:51 a.m.

Respectfully submitted,



Nancy Elvira Lo
Chair



Date

New Business

Update on Maui Disaster Relief and Business Support from
Teena Rasmussen, Maui member,
CBED Advisory Council

New Business

Recommendation/Approval of CBED Grant of \$65,000 to Maui Chamber of Commerce to distribute to Maui County exhibitors at the Made in Maui Festival, November 3-4, 2023. Funds will offset cost of booth space for all 132 exhibitors. Presentation by Pamela Tumpap, President, Maui Chamber of Commerce



HOME ABOUT SHOP WITH OUR VENDORS

BECOME A SPONSOR CONTEST CONNECT WITH US

About the Made in Maui County Festival



The in-person festival generally attracts approximately 10,000 people per year.

10th Annual Hawaiian Airlines Made in Maui County Festival

Presented by the Maui Chamber of Commerce and supported by the County of Maui Mayor's Office of Economic Development, the annual Hawaiian Airlines Made In Maui County Festival was created to stimulate our island's economy by boosting sales and awareness of locally made products. It is a showcase of the hard work and creativity in our



[HOME](#) [ABOUT](#) [SHOP WITH OUR VENDORS](#)

[BECOME A SPONSOR](#) [CONTEST](#) [CONNECT WITH US](#)

Maui County has to offer.

Patterned after the successful Made in Hawaii Festival on Oahu, the first-ever Made in Maui County Festival was held at the Maui Arts & Cultural Center in 2014 and boasted over 130 vendors and over 9,400 visitors and residents. Since that time, the Festival continues to grow in participants and stature as Maui County's largest products show.

Participating Product Vendors must meet certain criteria in order to participate, including having their business based in Maui County and products being offered for sale also have to meet a minimum of 51% Hawaii of their value added in Hawaii. The product mix, quality and creativity value are also considered by the Festival's vendor selection committee. When the event is in-person, a select number of local food trucks are also invited to showcase their *ono* cuisine during the two-day event.

Most recently, the event changed its name to the "Hawaiian Airlines Made in Maui County Festival" with the signing of Hawaiian Airlines as the event's title sponsor in 2019, 2020, 2021, 2022, and 2023.

We extend a big mahalo to ALL those who have contributed to the event's success – the sponsors, vendors, attendees, event committee members, and volunteers – for helping to make the Hawaiian Airlines Made In Maui County Festival an annual tradition.



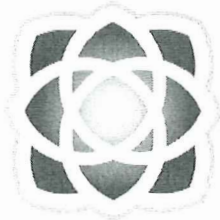
HOME ABOUT SHOP WITH OUR VENDORS

BECOME A SPONSOR CONTEST CONNECT WITH US



Presented By:

Supported By:



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS



Hawaiian Airlines Made In Maui County Festival 2023

[CONNECT WITH US](#)

[BECOME A VENDOR](#)

[BECOME A SPONSOR](#)

[BECOME A WHOLESALE BUYER / DISTRIBUTOR](#)

[FUN FACTS ABOUT MAUI COUNTY](#)

[MEDIA / PRESS RELEASE](#)

© 2023 MADE IN MAUI COUNTY FESTIVAL

This is a politics and issue-free community event.

New Business

Recommendation/Approval of CBED Loan of \$100,000 to Samurai, Inc., a food manufacturing company, producing snack foods. Co-lending with Feed the Hunger Fund, which will also make a loan of \$100,000. CBED loan is to purchase equipment and for working capital. The CBED loan will have a term of 7 years with an interest rate of 4%. Underwriting review by Aaron Ellis, Director of Programs and Lending, Feed the Hunger Fund.

Applicant: Samurai, Inc.
Food Processor / Manufacturer
738 Umi Street
Honolulu, Hawaii 96819

Samurai Inc was founded in 1995. They manufacture ice cream, frozen desserts, sugar and confectionery products (<https://www.samurai-inc.com/>). They are based in the Kalihi area of Honolulu in an Enterprise Zone and employ 20 people.

Classification: Food Processing / Manufacturing

Financial History: The business has a long history of profitability (excluding 2020 due to COVID), however, the owner was unable to secure debt from a commercial lender due to the recent change in leadership. A loan of \$200,000 (split 50/50 between FTHF and DBEDT/CBED) is being requested to update the facilities and purchase automated production equipment that will increase labor efficiency and reduce costs.

In 2022, the company had higher than normal operating expenses, which were attributed to transitioning ownership of the company. The DSCR for 2023 is anticipated to be 2.1, which is comparable to 2021.

Loan Request

& Purpose: \$200,000 for working capital and equipment; specifically to update the facilities and purchase automated production equipment that will increase labor efficiency and reduce costs.

Terms: CBED Micro-Loan

Amount: \$100,000
Period: 84 MONTHS
Interest Rate: 4% Fixed
Monthly Payment: \$1,367.00

FEED THE HUNGER FUND

Amount: \$100,000
Period: 84 Months
Interest Rate: 6%
Monthly Payment: \$1,461.00

Background /
Management

Ability:

Founded in 1995, Samurai Inc located in Kalihi employs 20 people and has a nearly 30-year history of manufacturing ice cream, frozen desserts, sugar, and confectionery products. The company produces four main product lines, Hawaiian frost ice cups, Frost Icicles, Soft serve mix, and Samurai popcorn. In addition to their Kalihi brick and mortar location they can be found all the major grocery stores in Hawaii (e.g., CVS, Foodland, KTA, Marukai, NEX, Safeway, Sams Club, Walgreens, Walmart, 7-Eleven, ABC Stores, Aloha Island minimart, and more).

The original founder, Gilbert Yamada retired in 2022 and sold his equity to longtime employee and manager, Roslynn Funakoshi.

The current site lease was just renewed in March 2023 for 5 years, with a renewal extension of 5 years.

Summary:

This loan will be a joint FTHF and DBEDT/CBED loan, with each organization contributing 50% of the capital and FTHF receiving a closing fee and a loan servicing administrative charge on the DBEDT/CBED portion of the debt.

Turndowns:

Samurai, Inc. was turned down for a loan by Hawaii USA Federal Credit Union.

Recommendations:

The CBED Advisory Council, in a September 19, 2023 Council meeting, voted to recommend approval for a CBED-EDA loan of \$100,000 to Samurai, Inc., with a \$100,000 co-loan from the Feed the Hunger Fund (FTHF). CBED staff and the FTHF underwriter also strongly recommend approval for a CBED-EDA loan.

From: mark.moran@egov.com <mark.moran@egov.com>

Sent: Wednesday, August 30, 2023 12:35 PM

To: Ritchie, Mark J <mark.j.ritchie@hawaii.gov>; Wayne.K.Thom@hawaii.gov; Malcolm, Selma S <Selma.s.malcolm@hawaii.gov>; Fujikawa, Lyle H <lyle.h.fujikawa@hawaii.gov>

Subject: [EXTERNAL] New submission from 2023 CBED Loan Interest Form

Company Name

Samurai, Inc.

Title of person acting on behalf of this business (e.g. CEO, President)

President

Name

Roslynn Funakoshi

Company Contact Information

Address

738 Umi Street
Honolulu, Hawaii 96819
United States
[Map It](#)

Company Phone

(808) 842-7809

Email

rozf@samurai-inc.com

Website (if any)

<https://www.samurai-inc.com>

The Company Name listed above is a business and is registered to do business in the State of Hawaii and is in good standing

Yes

The Company Name listed above is current on all County, State, and Federal Tax Filings and Tax Payments.

Yes

Do you have financial statements (income statement and balance sheet) for two most recent fiscal years?

Yes

Business Information

Date Established

09/22/1995

Type of Entity

C-Corporation

Is business a for-profit business?

Yes

Type of Business

Manufacturer

Please describe your business

Samurai, Inc is a food manufacturing company, producing snack foods.

Annual Revenue

\$1,800,000.00

Number of Employees

23

Loan Information

What loan amount are you seeking?

\$200,000.00

Have you had one turndown from a commercial lender in the past year?

Yes

What is the loan to be used for?

Both Working Capital and Equipment Purchase

What type of collateral do you have to secure a loan?

equipment

Terms & Conditions

- I Agree

Loan Presentation: Samurai Inc.	
Date:	9/15/2023
Business:	Samurai, Inc.
Principal Name(s):	Roslynn Funakoshi
Address: <i>Business Address</i>	738 Umi Street, Honolulu HI 96819
Business Type:	Existing
FTHF Loan Client:	No
Loan Status:	New Request
Business Structure:	C-Corp
Purpose of Loan:	Fixed Asset & Working Capital
Jobs created:	0
Jobs retained:	20
Ownership Structure:	95% Roslynn Funakoshi 5% Mackenna McCue
Total Project Cost:	\$ 250,000.00
Loan amount requested:	\$ 100,000.00
Recommended Interest rate:	6.0% 14%
Term / Amortization:	84 months
RISK RATING:	2
Access to Other Capital*:	No, Hawaii USA has declined to provide capital.
Business description:	Samurai Inc was founded in 1995. Located in Kalihi they manufacture ice cream, frozen deserts, sugar and confectionery products. https://www.samurai-inc.com/

Business Type: FTHF Loan Clier Loan Status: Business Struct Purpose of Loan:
 Start-up Yes Repaid Sole Proprietors Fixed Asset
 Existing No Current Consumer Coop Working Capital
 Delinquent Limited Partner Fixed Asset & Working Capital
 New Request Limited Liability Company
 C-Corp
 S-Corp

Loan #	Original	Principal Balance	Original Loan purpose	Delinquency	30 +	60+	90+
NA							
TOTAL	\$ -	\$ -					

PRINCIPAL INFORMATION	
Personal Net worth:	[REDACTED]
Credit score:	752

COLLATERAL							
Type	Source of Value	Date of Value	Gross Value	LTV**	Net Value	Prior liens	equity
New Equipment	estimate	9/12/2023	\$ 120,000	85%	\$ 102,000	\$ -	\$ 102,000
Inventory	estimate	8/31/2023	\$ 221,338	25%	\$ 55,335	\$ -	\$ 55,335
Existing Equipment	estimate	8/31/2023	\$ 611,522	50%	\$ 305,761	\$ -	\$ 305,761
Total					\$ 463,096		\$ 463,096
					Collateral coverage***		2.32

includes DBEDT portion of debt

SOURCES	
Lender	Amount
FTHF	\$ 100,000
DBEDT/CBED	\$ 100,000
Equity	\$ 50,000
Total	\$ 250,000

USES	
Uses	Amount
Automated Equipment	\$ 120,000
Working Capital	\$ 130,000
Total	\$ 250,000

FEES		
Closing Fee:	2%	\$ 2,000
Wire Transfer Fee		\$ 30
Application fee:		\$ -
Borrower to pay all out of pocket expenses		

*additional capital this loan(s) allowed borrower to receive from another lending source
 **loan to value-advance rate allowed by CCED to calculate for liquidation of collateral to determine the net value of collateral
 ***collateral coverage-is equal to the total discounted collateral value divided by the total loan request

FTHF Risk Rating Chart

Date: 9/15/2023

Borrower: Samurai Inc.

Loan Officer: Aaron Ellis

Rate each category from 1 to 5

Rating	1	2	3	4	5	Score	
Personal Net Worth	\$200,001<	\$50,001-\$200,000	1-\$50,000	0	Negative		
GDSC	1.51<	1.26x-1.5x	1.25x	1.10x-1.24x	<1.10x	1	2.45
Collateral Coverage	1.1<	.76-1:1	.75:1	.5:1 - .74:1	<.5:1	1	2.32
Quick Ratio*	1.5:1<	1.1:1 - 1.5:1	1:1	.75:1 - .99:1	<.75:1	1	2.14
Credit Score	700<	651-700	621-650	600-620	<600	1	752
Years In Industry	> 9 year	8-9 years	4-7 years	1-3 years	0	1	19 years
Years of Industry Management	> 5 years	3 - 5 years	1-2 years	< 1	0	1	11 years
Owners Equity Into Transaction	25%+	16-24%	10-15%	1-9%	0	2	20%
Business Profitability	Exceeds industry average by 50% of profitability	Profitable 3 of last 3 years	Profitable 2 of last 3 years	Profitable 1 of last 3 years	Start up - 2 years	3	lost money during COVID year 2020
Business debt ratio**	<.75:1	.89:1-.75:1	.9:1	1:1-.91:1	>1:1	1	0.36

*Quick Ratio: (Current Assets - Inventories) / Current Liabilities

2.14

**Business debt ratio: Total Liabilities / Total Assets

0.36

1.5 Avg.

Loan Score	2
1	Excellent
2	Good
3	Acceptable
4	Poor
5	Unacceptable
6	Charge off

Business related only

Current assets	\$	512,427
Inventories	\$	221,338
Current Liabilities	\$	136,192
Total assets	\$	1,243,949
Total Liabilities	\$	449,139

Next Meeting October 17, 2023