



ARKANSAS
CAPITAL

Impact Report

March 2019

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| ABBREVIATION | TERM | DEFINITION |
|--------------|---|--|
| B&I | Business and Industry Loan | A USDA-guaranteed loan, made by a qualified lender to an eligible rural business (usda.gov). |
| CDE | Community Development Entity | A domestic corporation or partnership that is an intermediary vehicle for the provision of loans, investments, or financial counseling in low-income communities (cdfifund.gov). |
| CDFI | Community Development Finance Institution | A private financial institution, certified by the U.S. Department of Treasury, that works to revitalize economically disadvantaged communities that often lack access to financing (cdfifund.gov). |
| EB-5 | EB-5 Immigrant Investor Program | Created by the USCIS to spur international investment in the U.S. by enabling large investors to apply for citizenship (uscis.gov). |
| NMTC | New Markets Tax Credit | The NMTC Program attracts private capital into low-income communities through tax incentives (cdfifund.gov). |
| SBA | Small Business Administration | A federal agency that supports entrepreneurs and small businesses (sba.gov). |
| SBIC | Small Business Investment Company | A private company, licensed by the SBA, that provides financing to qualified small businesses (benefits.gov). |
| USCIS | U.S. Citizenship and Immigration Services | A federal agency that oversees U.S. immigration and naturalization (uscis.gov). |
| USDA | U.S. Department of Agriculture | A federal agency that provides leadership on agriculture, food, natural resources, rural development and nutrition (usda.gov). |



"For six decades, ACC has been a catalyst for growth and success..."

- We founded the state's first and only statewide collegiate business plan competition supporting a pipeline of entrepreneurial talent and providing over \$2 million in cash prizes to students and faculty;
- We developed the state's first CDE in 2001, which has since deployed over \$250 million in NMTCs and has facilitated the deployment of another \$250 million in NMTCs from CDEs located outside the state;
- At the request of Arkansas's Governor, we established Arkansas's first EB-5 Regional Center approved by the U.S. Citizenship and Immigration Service, now attracting foreign investment to the state; and,
- We were the first Arkansas lender and one of the first in the country to combine New Markets Tax Credits with Historic Tax Credits, as well as USDA B&I financing, in order to make difficult deals possible.

I can't say enough about the creativity, expertise, and integrity of this organization and its people as well as the impact they have had on our great state. For six decades, ACC has partnered with banks, government and community organizations, and others, acting as a catalyst for growth and success. We will continue to remain committed to that cause. Thank you for learning more about our organization and its impact throughout Arkansas and beyond.

Rush Deacon
CEO, ACC

Dear Friends and Partners of Arkansas Capital Corporation,

Welcome! This report highlights the community impact of Arkansas Capital Corporation since 2010. What follows is a description of the organization, its history, its function, and most importantly, its recent impact on our community. We hope you enjoy learning more about what we do, how we do it, and the ripple effects felt throughout Arkansas.

Since our founding over sixty years ago, we have so many accomplishments to celebrate, many of which we pioneered:

- We were the first special purpose nonprofit finance company in Arkansas, providing over \$2 billion in loans and other capital financing since our founding;
- We created Arkansas's first venture capital fund in 1999, which has provided over \$200 million in growth capital in businesses across Arkansas and the nation;

for the Good of Arkansas

\$2.3B
financial impact in Arkansas
since 2010

\$74M
annual state tax revenue
generated

7.3K
direct jobs
supported

2,000+
acres of land
revitalized

2.2M
metric tons of waste
material upcycled annually

3.1M MWh
of renewable energy
generated

120+
adults with disabilities
provided employment daily

9.5K
children & adults trained
in digital literacy

23
student businesses
launched

Arkansas Capital's impact since 2010.

Our founding story.

Since its beginning, Arkansas Capital Corporation (ACC) has been built upon a purpose-driven mindset and a generous, can-do attitude.

No matter what the challenge, no matter how great the need, ACC found a way to achieve results for the benefit of Arkansas, and for the benefit of the greater good. The organization’s unique role in the state traces back to the 1950s, as leaders in the post-war economy sought new financial tools to accelerate economic growth.

ACC, originally named First Arkansas Development Finance Corporation (FADFC), was created in 1957 by a cohort of influential individuals, including soon-to-be Arkansas Governor Winthrop Rockefeller, Tyson Foods founder John Tyson and executive Harvey Couch, as well as most of the state’s utility companies. The company was formed to provide a mechanism for financing the state’s transformation from an agricultural economy to an industrial economy. Legislation enabling the creation of FADFC was approved by a unanimous vote in the state Senate.



From left: Winthrop Rockefeller, Rollo Asmussen, and Charles Frierson devising plans for the new First Arkansas Development Finance Company at the Rockefeller’s home atop Petit Jean Mountain, 1957.

Though modeled off of capital development companies that had emerged in the northeast U.S., the particular design of FADFC was unprecedented at the time. Although FADFC was privately owned, it was structured to provide no return to its individual investors. At a critical fundraising juncture, future FADFC stockholders (including Rockefeller) literally passed around a hat, collecting donations from the group necessary to close the funding gap.

Since its founding, ACC has diversified, growing to include the commercial financing needed in the modern economy. Along the way, ACC has made hundreds of loans and deployed hundreds of millions in capital. Still, ACC has never lost sight of its distinct origins, nor its ultimate mission-driven purpose.



“Our first question is not ‘how can we make money?’ Our first question is ‘where is there a need?’ Over the years, these things you’ve seen us do have been a response to specific needs—no one else is doing it, so we say, ‘Alright. Let’s do it.’”

Sam Walls III
COO, ACC



“They can't find a box to put us in. Why? Because there is no box. This is a unique organization.”

Sam Walls Jr.
Former CEO, ACC
1992-2013 (retired)



Collaboration is in our DNA.

What we do.

We help businesses grow at every stage of their development through creative financing, collaborative partnerships, and technical expertise.

Seed

Growth

Maturity

ENTREPRENEURIAL DEVELOPMENT

ACC operates statewide business plan competitions and education initiatives to cultivate entrepreneurship through its 501(c)(3) arm, the Arkansas Economic Acceleration Foundation (AEAF). These programs help ACC nurture entrepreneurs at the start of the ecosystem and teach core principles, before capital or growth are concerns.

USDA GUARANTEED / B&I

The USDA provides funding opportunities for small communities through guaranteed loans, grants and other programs, with the goal of improving economic conditions in rural areas. The B&I loan program is designed to increase rural access to business capital.

SBA 7(a) & 504 LOANS

Both the 504 and 7(a) SBA programs are intended to provide flexibility and ultimately costs savings for small businesses looking to grow. The former is more geared towards providing working capital, and the latter for the purchase of fixed assets.

CONVENTIONAL LOANS

ACC offers an array of traditional loan products, predominantly for meeting the needs of small businesses.

EB-5 FINANCING

The federal EB-5 Immigrant Investment Program was established in 1990 to draw foreign capital to qualifying job-creating projects in the U.S. The program offers residents of other countries the opportunity to gain permanent residence in the U.S. by making large investments into the American economy.

NMTC FINANCING

The New Markets Tax Credits Program was created by Congress in 2000 to spur private investment in distressed communities. Investments made with NMTCs are used to finance businesses and a wide variety of community development projects, breathing new life into often neglected and underserved low-income communities.

How we do it.

Through our dynamic subsidiaries and affiliated entities, we deploy a suite of tools that enhance our ability to leverage capital for the growth and overall well-being of our community.



SMALL BUSINESS LENDING:



Arkansas Capital Corporation (ACC)

The flagship company of ACCG, Arkansas Capital continues to provide both government guaranteed and conventional loan products to grow small businesses throughout the state and surrounding region.



Six Bridges Capital (6BCC)

Specializing in SBA 504 loans for owner-occupied commercial real estate, business equipment and refinancing of eligible business expenses.



Arkansas Capital Relending (ACRC)

A provider of loans to small businesses under the USDA's Intermediary Relending Program.

PROJECT FINANCING:



Pine State Regional Center (PSRC)

Certified by the USCIS as a "regional center" under the EB-5 Immigrant Investor Program, the company's mission is to attract foreign investor capital for qualifying job-creating projects that benefit Arkansas.



Heartland Renaissance Fund (HRF)

A CDE dedicated to stimulating economic activity in Arkansas's disadvantaged areas through the use of the NMTC Program. Heartland has received \$265M in federal allocations since 2003.

ENTREPRENEURIAL DEVELOPMENT:









Arkansas Economic Acceleration Foundation (AEAF)

A non-profit 501(c)(3) arm that reinvests in the community through several high-impact initiatives, including the Arkansas Governor's Cup Collegiate Business Plan Competition.



Two decades of **firsts.**

| 1999 | 2001 | 2003 | 2012 | 2012 | 2014 |
|---|--|--|--|---|--|
| VENTURE CAPITAL FUND | | | EB-5 INVESTMENT PROGRAM | | |
| | STATEWIDE STUDENT BUSINESS COMPETITION | | | NEW MARKETS + HISTORIC TAX CREDITS | |
| | | NEW MARKETS TAX CREDIT FINANCING | | | NEW MARKETS + USDA B&I FINANCING |
|  |  |  |  |  |  |
| <p>ACC establishes Diamond State Ventures (DSV), Arkansas' first venture capital fund. DSV helps Arkansas share the benefits of the nationwide venture financing boom at the turn of the century. In 2011, the Small Business Administration named DSV the SBIC of the Year. While still co-located with ACCG, DSV is now independently managed and continues to deploy venture capital for growing businesses.</p> | <p>ACC's newly formed 501(c)(3) affiliate AEAF launches its inaugural Governor's Cup competition. The contest fuels a pipeline for the entrepreneurial thinking and talent in Arkansas's colleges through a rigorous real-world business planning process with thousands of dollars in cash awards. In 2006, AEAF augmented the impact of the Governor's Cup with the first Youth Entrepreneur Showcase (Y.E.S.) 5th -8th Grade Business Plan Competition to cultivate entrepreneurial aptitude in younger learners. More than 20 Arkansas companies have their roots in the Governor's Cup.</p> | <p>In 2002, ACC forms HRF, Arkansas's first CDE, created to win funding from the nascent NMTC program. The next year, HRF wins Arkansas' first NMTC allocation, enabling the state to participate in the windfall of community development financing flowing to distressed communities nationwide. Since 2003, HRF has received \$265M in NMTC allocations from the CDFI Fund, creating thousands of jobs and spurring economic activity across Arkansas and beyond. To date, HRF is the only Arkansas-based CDE to win NMTCs.</p> | <p>At the request of Arkansas's Governor, ACC establishes the state's first EB-5 Regional Center, calling its new subsidiary Pine State Regional Center (PSRC). PSRC grants Arkansas projects access to capital flowing through the EB-5 Immigrant Investment Program, designed to attract foreign investment capital into the job creating enterprises in the U.S. Ultimately, PRSC's EB-5 fundraising enables the launch of Arkansas's first "Super Project," the \$1.67B Big River Steel facility in Osceola.</p> | <p>ACC facilitated financing for the Mann on Main project, a major mixed use redevelopment on Little Rock's historic Main Street. This deal was Arkansas's first project to combine NMTCs and Historic Tax Credits. At a total project cost of nearly \$24M, the rehab brought 90,000 new square feet of office space and 30,000 new square feet of residential space to the area, catalyzing downtown growth and reinvestment.</p> | <p>ACC innovates a sophisticated financing package to rescue a local wood pellet manufacturer destroyed by a fire, resulting in Arkansas's first deal combining NMTCs and USDA B&I financing. "The banks wouldn't touch us. These were folks we had a relationship with for 25+ years—they wouldn't touch us," said Bill Weaver, who heads Fiber Resources, a pellet manufacturer. "But ACC came through."</p> |

Creative financing, **real results.**

ACC specializes in financing packages that cannot be transacted easily by traditional lending requirements. The company partners with banks and other organizations, seeking to find innovative ways to finance clients locked out of conventional capital markets. In the process, ACC creates meaningful impacts for those borrowers and for the broader community.

Through more than 300 transactions, ACCG has invested **\$316M** since 2010, including **\$306M** within Arkansas.



7.3K DIRECT JOBS SUPPORTED

across a multitude of loan products



\$2.3B DIRECT ANNUAL FINANCIAL IMPACT

in Arkansas, reflecting the scope of economic activity supported ACCG's lending based on IMPLAN analysis.



\$74M ANNUAL TAX REVENUE GENERATED

feeding dollars back into Arkansas



“Before the advent of ACC, there was a general lack of anything other than traditional bank financing. It was having to appeal to family and friends to try to shoestring something together.”

Bryan Scoggins

Director of Business Finance
Arkansas Economic Development Commission



“ACC is a lender that truly wants to see businesses win and impact the community. Not only is the staff amazing to work with, I can see ACC being a great ally to my company's future successes.”

Carmen Portillo

CEO & Chocolatier
Cocoa Belle Chocolates



“We cannot win as a state if the primary economic objective is to go out and attract smokestacks. Arkansas has to win by growing key pillars—talent, capital, entrepreneurial culture, and education. ACC has been a part of that conversation and in fact pioneering that effort for as long as I’ve been in the state.”

Jeff Amerine

Founding Principal
Startup Junkie Consulting



“The banks took one look at us and said, 'forget it.'”

A Catastrophe in Pine Bluff

Siblings Bill, John and Candice Weaver had successfully run a wood pellet manufacturing facility outside Pine Bluff since the 1980s, but on May 19, 2012, they found their company in jeopardy. A fire ripped through the factory early on a Sunday morning, “basically destroying our production facilities,” said Ms. Weaver. To rebuild the business and preserve jobs for their more than 100 employees, the Weavers’ needed flexible capital. “The banks took one look at us and said, ‘forget it,’” Mr. Weaver explained.



Tough Deal? No sweat.

ACC invests in high-impact opportunities that can't be financed by traditional lenders.



Fiber Resources

Bill, John & Candace Weaver, Co-Owners

Strapped with debt and turned down by their bank of 25+ years, the Weavers needed a creative lending partner to help Fiber Resources rebuild after a fire. ACC leveraged both USDA and NMTC financing—an Arkansas first—in a sophisticated financial package for the company. “ACC came through and got us the loan, and we got it all completed in under a year,” said Mr. Weaver. The loan not only helped Fiber Resources rebuild, but it also led the company to implement safety measures to harden the plant against future disasters. “Our insurance bill dropped \$150,000 almost immediately,” said Mr. Weaver.



Open Avenues

Brenda Neal, Executive Director

In May 2011, ACC's Heartland Renaissance Fund financed a new headquarters for Open Avenues, an Arkansas nonprofit that provides job training, life skills education and community integration services for adults with disabilities. Operational since 1975, the nonprofit fell on hard times in the 2000s, as sources of vital grant funding ran dry. “We were looking at cutting programs, but all of our programs are so intertwined,” said Ms. Neal.



Arkansas Flag & Banner

Kerry McCoy, Founder

Straining to bring her flag store into the digital marketplace, Kerry McCoy had racked up tens of thousands of dollars in credit card debt. “I’m in debt like you wouldn’t believe, my interest is through the roof—I’m going down like a one egg pudding,” said Ms. McCoy. After several unsuccessful attempts to attain a loan from local banks, someone suggested she try Arkansas Capital. In 2003, ACC created an innovative financial package, leveraging SBA funding and spreading out Ms. McCoy’s debt in order to open up her cash flow. “They basically saved my company, really,” she said.

“The banks wouldn’t touch us...but ACC came through.”

“Without ACC...it would have been difficult to continue.”

“They’re just really good at understanding entrepreneurs.”

Preserving the 'Natural State'

We need innovative solutions to tackle modern environmental challenges. That's why ACC is funding the next generation of sustainable industry in Arkansas.



3.1M MWh

Renewable Energy Generated



2.2M

Tons of Waste Upcycled



2000+

Acres of Land Revitalized



Innovation in Arkansas's environmental sector.

Arkansas's largest solar farm.

Silicon Solar (2016)

Landing new defense contracts is of fundamental importance in Camden, where the defense industry anchors the economy. In 2014, city officials encountered a novel threat to their lifeblood industry—a lack of renewable energy. As defense contractors worked to meet new clean energy standards, they began moving projects out of Camden to other facilities near clean energy options. The city needed a renewable energy project, a tough lift in a state with scant solar power in its energy portfolio and limited institutional knowledge on structuring such complex deals.

City officials and solar developers turned to ACC for technical assistance. ACC realized a unique opportunity to mobilize a major solar project for Arkansas. “It wouldn’t have been possible if we didn’t get the financing in place to make the numbers work, and to do that we had to bring in a bunch of incentives,” said Leslie Lane, ACC’s Executive Vice President. “I think that’s where Arkansas Capital is uniquely positioned. We had expertise that went across all those different incentives, and we could bring them together.”

At 100 acres and 12 MW of capacity, the new solar farm represented the largest solar installation in Arkansas, opening up the prospect of more major clean energy investments in the state. “The energy industry in Arkansas finally had an anchor project they could point to,” added Mr. Lane. “Silicon Solar became the poster child for solar energy production in Arkansas.”

World's first LEED-certified steel mill.

Big River Steel (2016)

As stakeholders lobbied to locate a \$1.67B steel mill in northeast Arkansas, an inability to attract foreign investment was placing the state at a competitive disadvantage. No existing Arkansas entities had the institutional capacity to raise significant foreign capital through the EB-5 program. Thus, the steelmaker was looking elsewhere.

Compounding the challenge, several states had recently failed in their efforts to establish an EB-5 regional center as required by the USCIS. After consulting with the state’s economic development leaders, then-Governor Mike Beebe turned to ACC to tackle EB-5 because of the company’s impeccable reputation and its proven ability to craft sophisticated and innovative financing. ACC formed the Pine State Regional Center (PSRC) in 2012. “They took it on and invested a ton of money into the program well before seeing any kind of return,” said Bryan Scoggins, business finance director for the Arkansas Economic Development Commission. PSRC raised more than \$50M in foreign capital that was ultimately a catalyst in the deal that landed the \$1.67B Big River Steel project in Osceola. Big River Steel is the largest accomplishment to date in the history of Arkansas’s economic development. Moreover, the project is the world’s first LEED-certified steelmaking operation. PSRC is continuing to seek foreign investors for Big River Steel and for other projects that will benefit the state of Arkansas.

LEADING THE STEEL INDUSTRY

With expansions underway at Big River Steel, Mississippi County, Arkansas is poised to become the largest steel producing county in the nation.

Environmental impact of ACC's lending customers.



ENERGY

TYPE: NMTC Financing

AMOUNT: \$8,000,000

YEAR: 2017

LOCATION: Pine Bluff

ABOUT: Highland Pellets is an early-stage manufacturer of wood pellets, supplying the global biomass industry. The company creates a market for wood waste otherwise destined for landfills. Virtually all of Highland's wood pellets fuel retrofitted coal plants with biomass, producing clean energy.



1.9M MWh

renewable energy generated by Highland's wood pellets each year



EFFICIENCY

TYPE: SBA 7(a)

AMOUNT: \$300,000

YEAR: 2015-2017

LOCATION: Little Rock

ABOUT: EEtility is a Benefit Corporation dedicated to cost effective and sustainable energy efficiency program development. Focusing on electric cooperatives and municipal utilities, EEtility is expanding its energy efficiency model to new states in order to save energy and lower energy bills for its customers.



18%

average reduction in energy bill for clients in EEtility's Arkansas pilot program



UPCYCLING

TYPE: NMTC Financing

AMOUNT: \$17,987,000

YEAR: 2014-2015

LOCATION: Osceola

ABOUT: BlueOak Arkansas is the first electronic waste recycling business in the United States. The facility processes e-waste otherwise headed for landfills or exported to China, converting the material into useful metals and rare earths.



15M

pounds of electronic waste material upcycled annually by BlueOak facility



3.3M

tons of steel scrap and waste material upcycled annually at Big River Steel by 2020

Investing for catalytic impact: strengthening the steel industry across the supply chain.

1. SUPPLIERS

SGL Carbon produces graphite electrodes, a sophisticated and essential component of the electric arc furnaces used by modern, ecofriendly steel manufacturers. In 2013, ACC's Heartland Renaissance Fund (HRF) subsidiary provided \$20M in NMTCs to SGL, enabling the company to revitalize its aging manufacturing facility with more efficient, greener technology. The company cut energy use 20% and reduced overall pollution stemming from the plant—including contaminants like benzopyrene and phenathrene—by 30%.

2. PRODUCERS

As noted previously, ACC was a key partner in financing Big River Steel (BRS), a new \$1.67B LEED-certified steel "mini-mill" in Osceola. The facility is now recycling two million tons of scrap each year. ACC facilitated the project through its Pine State Regional Center (PSRC). As Arkansas's first "Super Project", BRS needed vast inflows of capital to bring its operation to scale. The project was assisted with EB-5 financing from foreign investors, coordinated through ACC. At full capacity, BRS supports more than 450 full time jobs. In partnership with the state of Arkansas, BRS has invested \$10M in workforce training.

3. RECYCLERS

Beyond SGL and BRS, ACC's investments span the environmental lifecycle of the steelmaking process to ensure all materials are put to their highest use. To support the repurposing of byproducts from BRS, HRF leveraged NMTCs for two new recycling ventures—TMS and Arkansas Steel Processing—that will collectively process 420,000 tons of BRS's discharged material annually. The companies will resell recovered metals back to BRS and process the remaining slag into other marketable products, such as asphalt for local infrastructure projects.

Strengthening communities.

30

Student Businesses
Launched

8

Schools and Universities
Funded

9.5k

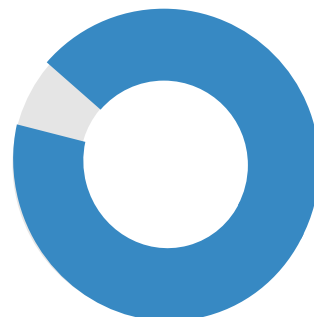
Children & Adults Trained in
Digital Literacy



Leveraging
dollars where
the need is
greatest.



49% rural



94% underserved

Economic development through helping Arkansans.



OPEN AVENUES
CAPABLE PEOPLE · QUALITY WORK

Meaningful
employment
for the
disabled.

TYPE: NMTC Financing

AMOUNT: \$6,500,000

YEAR: 2011

LOCATION: Rogers

ABOUT: Open Avenues has served people with intellectual and physical disabilities for more than 40 years, helping clients reach their full potential through both employment opportunities and personal growth.

100+

Clients with disabilities provided employment and/or training daily.



Employing the previously
incarcerated.

TYPE: NMTC Financing

AMOUNT: \$8,000,000

YEAR: 2017

LOCATION: Pine Bluff

ABOUT: Deeply committed not only to environmental but also social impact, Highland Pellets has a specialized transitional program designed to integrate formerly incarcerated individuals. Criminal records are a significant barrier to employment in the area. Only two years into operations, Highland's program has already graduated eight individuals into the workforce.



“To the investors I would just say thank you—you made a great decision. Everyone here at Highland feels the same way, even though their stories are different.”

Oz

Operator at Highland Pellets

Cultivating entrepreneurship.



Since 2001, Arkansas Capital's nonprofit foundation affiliate—the Arkansas Economic Acceleration Foundation (AEAF)—has nurtured the next generation of entrepreneurs through its flagship statewide student business plan competition, **The Arkansas Governor's Cup**.

2,750
Student Participants

\$2.3M+
in Cash Prizes Awarded

25+
Student Businesses Launched

In 2006, the door of opportunity to explore new business ideas opened further when AEAF launched the **Youth Entrepreneur Showcase (Y.E.S.) for Arkansas** business plan competition for Arkansas's 5th-8th grade students.



8,133
Student Participants

2,750
Great Business
Ideas Submitted

\$95K
In Cash Prizes Awarded

Empowering communities with broadband access.



In response to growing concerns among legislators and other state officials, the Governor of Arkansas once again came to ACC with a request to start a new 501(c)(3) subsidiary of the Arkansas Capital Corporation Group—Connect Arkansas. Established in 2007, Connect's mission was to prepare the people of Arkansas to secure the economic, educational, health, social, and other benefits available via the internet.

Following the 2008 recession, President Barack Obama's administration announced the American Recovery and Reinvestment Act, a stimulus package that included \$4B for the Broadband Technology Opportunities Program. The purpose was to encourage states to engage in programs to increase the public's adoption and use of high-speed internet. The governor designated Connect Arkansas to manage the state's share of the federal, non-infrastructure-related funding.

From 2009 until Connect's funding ended in 2015, several thousand Arkansans were directly impacted through Connect's grassroots digital literacy training and Computers 4 Kids programs. Hundreds more were able to increase their knowledge of how the internet is delivered and what internet services were available at virtually any address in Arkansas. This was done through what became a nationally-renowned interactive broadband mapping program with virtually 100 percent of the state's broadband providers delivering updated data to Connect each quarter. Small businesses and government leaders were also served by Connect, which helped them make their operations more efficient through the program's e-Community projects, regional trainings, and conferences.



17 Counties
mapped for internet access
across Arkansas' most
distressed regions



30% Increase
in number of Arkansans
utilizing internet from home
between 2007 and 2014



9,500+ Arkansas
children and adults
provided one-on-one
digital literacy training

Recognition

A snapshot of honors & awards we've received since 2010:

'10-11

'12-13

'14-15

'16-17

'18-19

- 2011: Small Business Investment Company of the Year
- 2011: U.S. SourceLink Star Award
- 2011: Outstanding Lender Award, Top Volume 504 CDC
- 2011: HRF receives \$60 million in Federal New Market Tax Credits

- 2012: Top 504 Volume Lender
- 2012: The Rising Star Lender
- 2012: Innovative Community Development Award
- 2013: Arkansas District Rising Star Award
- 2013: Arkansas District Top CDC/504 Volume Lender
- 2013: HRF wins \$19.3 million in Arkansas New Market Jobs Act Credits

- 2014: SBA Certified Development Company of the Year
- 2014: Small Business Week Twitter Awards
- 2015: HRF wins Non-Metro QLICI of the year for the BlueOak Arkansas project in Osceola

- 2016: Mississippi District to CDC/504 Volume Lender
- 2017: HRF awarded \$65 million in Federal New Market Tax Credits from the U.S. CDFI Fund, bringing its total allocation awarded to \$265M since the program's inception
- 2017: ACC awarded \$1 million in Financial Assistance Grant Funds from the U.S. CDFI Fund

- 2018: ACC awarded \$850,000 in Financial Assistance Grant Funds from the U.S. CDFI Fund

Acknowledgements

We'd like to thank the following individuals interviewed for the production of this report:

| Borrowers | Community Leaders | Workforce |
|--|--|---|
| Kerry McCoy ACC Borrower Arkansas Flag and Banner Brenda Neal HRF Borrower Open Avenues Tom Reilley HRF Borrower Highland Pellets Tammy Agard ACC Borrower EEtility Bill Weaver HRF Borrower Fiber Resources Candace Weaver HRF Borrower Fiber Resources Carmen Portillo ACC Borrower Cocoa Belle Chocolates | Bryan Scoggins Arkansas Economic Development Commission Hunter Hauk Arkansas Economic Development Commission Karen Marine Simmons Bank Member of the Board of ACC Jeff Amerine Startup Junkie Consulting Member of the Board of ACC Caleb McMahon Jefferson County Alliance Sam Walls Jr. Former CEO of ACC | Jody Doak Highland Pellets Oz Harris Highland Pellets Priscila Williams Cocoa Belle Chocolates Staff Rush Deacon Sam Walls III Leslie Lane Christa Clark Linda Abrams Bert King Marie Bruno Becka Webb |

Impact Report provided by LifeCity, L3C

A Certified Women's Business Enterprise.

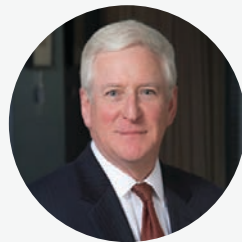
LifeCity is an impact report consulting company that helps organizations measure and market their impact. We offer a community-based assessment designed to capture the social and environmental impact of organizations, while helping them improve their triple bottom line. LifeCity has the unique ability to work with both international and national standards as well as local standards and community assets that are most relevant to the investment context. We are proud to work on behalf of the Arkansas Capital Corporation to produce the analyses contained in this report, which relies on extensive research, more than twenty interviews, and the use of IMPLAN software. IMPLAN is a widely used economic modeling tool employed by academia, government agencies, and businesses to measure economic impact.

To learn more, please contact Liz Shephard at Liz@mylifecity.com.

Thank You from the Impact Team.

At Arkansas Capital, our reputation is our single greatest asset. Thank you for putting your trust in our services; we are proud to partner with all of you for the good of Arkansas. We look forward to seeing this collaboration continue to grow in the years to come.

In the meantime, we'll keep at our mission: To foster economic development; create and preserve employment opportunities; and stimulate the growth, expansion, and modernization of small businesses located within the state of Arkansas, with an emphasis on **serving the underserved communities and citizens within the state.**



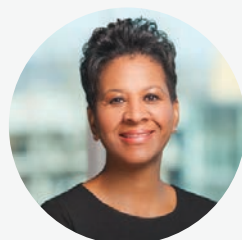
RUSH DEACON
CEO



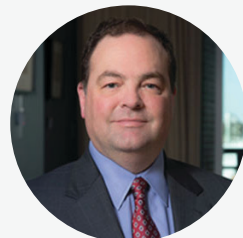
BERT KING
SENIOR VICE PRESIDENT



MARIE BRUNO
AEAF EXECUTIVE DIRECTOR



LINDA ABRAMS
PROJECT SPECIALIST



SAM WALLS III
PRESIDENT / COO



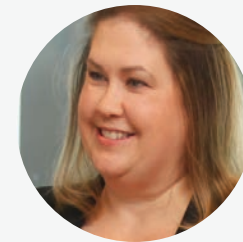
CHRISTA CLARK
VICE PRESIDENT



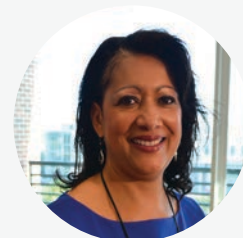
LESLIE LANE
EXECUTIVE VICE PRESIDENT



BECKA WEBB
VICE PRESIDENT



SHANNON GARCIA
LOAN SERVING SPECIALIST



SANDRA HAIRSTON
EXECUTIVE VICE PRESIDENT



VERENICE PEREZ
VICE PRESIDENT



KATHLEEN PURCELL
CONTROLLER



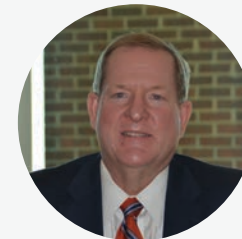
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