



ARKANSAS
CAPITAL



2022
COMMUNITY IMPACT REPORT

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LETTER FROM THE CEO

ARKANSAS CAPITAL CORPORATION (ACC) and its family of companies enjoyed a good 2022, both from a performance and from an impact perspective. “Margin and Mission,” a phrase that I have admittedly stolen from one of our CDFI peers here in Arkansas, has been a focus throughout ACC’s history, and our record on both would indicate that we continue to be successful in balancing those two objectives.

ACC lending affiliates continue to be valued partners within the banking community for our expertise in utilizing government guaranteed loans. We do an impressive job in working to provide capital to underserved areas in our market as well as to historically underserved groups. ACC’s project finance companies have excelled as well. Our New Markets Tax Credit company completed deployment of its latest \$40 million allocation and consulted on an additional \$30 million. ACC’s EB-5 Regional Center completed its first capital raise of over \$160 million dollars to support rural manufacturing in Arkansas and in the process became a nationally recognized regional center for its work in non-metropolitan areas. Lastly, for the 22nd year ACC held its collegiate business plan competition and its 5th-8th grade business plan competition for the 17th year. Once again Arkansas students impressed all with their entrepreneurial ideas.

Throughout history, there have been classes of people and areas of the country that did not have the opportunity to participate in our capitalistic system at the same level that others enjoyed.



At Arkansas Capital, we believe that capitalism offers the best opportunity for positive change and a path for all citizens to secure a better future for themselves and the ones they care for. For 65 years, we have been here to ensure that the opportunities created by capitalism are available for all, and we will continue to do so in the years to come.

On behalf of the entire team here at Arkansas Capital, we are proud of our accomplishments noted in this report. Please enjoy!

A handwritten signature in black ink that reads "Sam Walls". The signature is fluid and cursive, with the first letters of "Sam" and "Walls" being capitalized and prominent.

Sam Walls, III
CEO

EMPOWERING ENTREPRENEURS

We work with partners to expand economic opportunities to underserved and rural communities throughout Arkansas and surrounding states.

In addition to finance and entrepreneurial education, ACC also actively engages a wide cross section of communities through our community development division. Our mission is to connect with partners across the entrepreneurial ecosystem, to provide expanded access, awareness, and training to entrepreneurs, and understand and respond to capital access needs of all communities including minority, women, and rural populations.



Arkansas Capital's 2022 Noteworthy Accomplishments and Newsreel

Arkansas Business Publishing Group named Sam Walls, III to Arkansas 250 Most Influential Leaders

Rush Deacon named to **Arkansas Money and Politics** "50 Over 50"

Arkansas Capital named "2022 Best Alternative Financing" Runner Up by **Arkansas Business**

Arkansas Capital featured in **Arkansas Democrat-Gazette** article, "Nonprofit's CEO Seeking Balance"

Arkansas Money and Politics article feature- "New Era: Sam Walls, III Leading the Way at Arkansas Capital Corp"

Arkansas Money and Politics article - "Our House Closes \$10M in New Markets Tax Credits Financing, Increases Capacity to Serve Central Arkansas Homeless"

Arkansas Democrat Gazette op-ed- "Make it Permanent: Tax Credit Spurs Job, Development" Sam Walls, III

Black Vitality article- "Black-Owned, Arkansas Venture Capital Firm Receives Second Major Investment"

1957

A steering committee of 21 prominent business leaders, chaired by Winthrop Rockefeller, meets to lay the groundwork for the formation of what would become ACC, the First Arkansas Development Finance Corporation (FADFC)

Winthrop Rockefeller hosts a barbecue luncheon on Petit Jean Mountain, which was attended by representatives of ACC's original founders to raise the company's starting capital

Articles of Incorporation for FADFC approved and charter issued by State Bank Commissioner

ARKANSAS CAPITAL'S FIVE AFFILIATES

Through five distinct affiliates, Arkansas Capital offers innovative lending services and programs to foster regional economic development and growth. Increased entrepreneurial activity, new and preserved employment, and stimulated growth and expansion are among the benefits realized by the communities we serve.

LENDING AFFILIATES



Arkansas Capital Corporation

The flagship company, 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 Corporation

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

PROJECT FINANCING AFFILIATES



Heartland Renaissance Fund

Using New Markets Tax Credits, HRF is a Community Development Entity (CDE) that provides flexible, below market rate financing to multi-layered, social development projects that focus on creating quality jobs and catalytic economic growth in underserved communities.



Pine State Regional Center

Certified by the USCIS as a regional center under the EB-5 Immigrant Investor Program, the affiliate's mission is to attract foreign investor capital for qualifying construction, manufacturing, and infrastructure projects in targeted rural and underserved areas.

ENTREPRENEUR EDUCATION AFFILIATE



Arkansas Economic Acceleration Foundation

This mission of AEAF is to be a catalyst in an environment focused on ideas and initiatives that nurture Arkansas's future entrepreneurs, especially young Arkansans living in the state's underserved communities.

1958

First loan made to Scott County Industrial Development Corporation for \$130,000 for the construction of a feed mill and hatchery for the Scott County Milling Company

1959

FAFDC's first office opens at 218 Pyramid Life Building; William W. "Bick" Satterfield is hired as FAFDC's first employee.

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 surrounding states, 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 by Act 567 of 1957, and supported by a cohort of most of the state's utility companies and influential individuals, including soon-to-be Governor Winthrop Rockefeller, Tyson Foods founder John Tyson, AP&L executive Harvey Couch. FADFC was formed to provide a mechanism for financing the state's transformation from an agricultural economy to an industrial economy.

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 intentionally 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 meet the private sector funding match that was required by Act 567. Since its founding, ACC has diversified, growing to include the commercial financing needed in the modern economy, making hundreds of loans and deploying hundreds of millions in capital. Still, ACC has never lost sight of its distinct origins, nor its ultimate mission-driven purpose.

FROM LEFT: Winthrop Rockefeller, Rollo Asmussen, and Charles Frierson discuss plans for the new First Arkansas Development Finance Corporation at Rockefeller's home atop Petit Jean Mountain, 1957.

1961

Hill F. Carlson
appointed CEO

1968

George H. Eagen
appointed CEO • \$5 million
of capital deployed

1980

\$10 million of
capital deployed

1985

FAFDC name
changed to Arkansas
Capital Corporation

ACC ORIGINAL STOCKHOLDERS

In the 1957 legislation creating FAFDC, the Arkansas General Assembly allocated \$2 million to start the corporation, but a match of private sector funding was required. FAFDC's founders, led by Winthrop Rockefeller, enacted policies that provided for the sale of common stock to support the company's capital base. Below are the original stockholders of FAFDC that invested to subscribe to the stock, laying the foundation to move the corporation forward.

ACC ORIGINAL COMMON STOCKHOLDERS

H. C. Adams
W. R. Alsobrook
Frank E. Attwood
B. Bennie Baim
Lawrence Banks
Joe C. Barrett
L. L. Baxter
J. W. Bellamy, Jr.
J. O. Bennett
E. C. Benton
William M. Berry
W. C. Blewster
Sam Bowman
S. O. Brooks
Fred I. Brown, Jr.
S. P. Brownlee
Ben F. Butler
Horace C. Cabe
W. W. Campbell
George Carney
W. H. Carter
I. A. Chambers
John Ed Chambers
Cleo Cheek
H. C. Couch, Jr.
C. E. Crossland
W. R. Crow
Cecil Cupp
W. E. Darby
H. D. Dixon
William E. Drenner
Dr. Harold A. Dulan
W. J. Echols
Searcy Elrod
J. H. Everett
Harold N. Falls
David Flinn
William Fogg
E. C. Gates
W. L. Gatz, Jr.
Dave Grundfest
Earl A. Harris
Irving N. Hepner
B. G. Hickey
Basil Hoag

Lloyd Hobbs
Ben Hogan
T. L. Hunt
Louis E. Hurley
James R. Kauffman
Mrs. Leigh Kelley
Dail E. Kilgore
Leon Kuhn
R. M. LaGrone, Jr.
J. B. Lambert
C. E. Laws
H. A. Lewis
Otis Lienhart
R. A. Lile
Forrest E. Long
R. D. Lowry
Jack T. Lynn
J.R. McConnell, Jr.
Harvey W. McGeorge
Wallace McGeorge
Henry McKinney
M. L. McKinney
Stanley McNulty
Sam L. Manatt
T. M. Martin
Charles T. Meyer, Sr.
F. F. Mobley
C. H. Moses
Henry M. Murphy
William Nash
Frank A. Newcombe
Jerome Ney
Gus Ottenheimer
Frank H. Parke
James H. Penick
Fred M. Pickens, Jr.
Jack Pickens
Harry Pollock
Howell B. Price
Ewing P. Pyeatt
Dallas P. Raney
Myron H. Rappeport
Lloyd M. Rebsamen
Raymond Rebsamen
J. A. Riggs, Jr.
L.V. Ritter
Elgan C. Robertson
Winthrop Rockefeller
Bennie Ryburn

Ben M. Saltzman, M.D.
J. V. Satterfield, Jr.
Frank J. Schreit, Jr.
H. S. Seabrook
T. R. Sevier
McCloud Sicard
J. M. Smallwood
Richard L. Smart
S. T. Smith
Van Smith
Harold Snyder
J. K. Southerland
Thomas W. Stone
Wayne A. Stone
Pinchback Taylor
F. A. "Pat" Teague
Herbert L. Thomas, Sr.
Vance M. Thompson
Claude H. Turney
John Tyson
Fred Venner
P. F. Watzek
Gus Walton
Hayle White
W. R. Whitehead
W. J. Williams
S. J. Wilson
Thomas G. Wilson
Morgan Wright
E. O. Yancey
R. A. Young, Jr.

ACC ORIGINAL PREFERRED STOCKHOLDERS

Arkansas Louisiana Gas Company
Little Rock, Arkansas

Arkansas-Missouri Power Company
Blytheville, Arkansas

Arkansas Valley Electric Cooperative Corp.
Ozark, Arkansas

Arkansas Western Gas Company
Little Rock, Arkansas

Arkansas Power & Light Company
Little Rock, Arkansas

Ashley-Chicot Electric Cooperative, Inc.
Hamburg, Arkansas

Blytheville Water Company
Blytheville, Arkansas

Booneville Water Company
Booneville, Arkansas

C&L Rural Electric Cooperative Corp.
Star City, Arkansas

Citizens Light & Power Company
Tuckerman, Arkansas

Craighead Electric Cooperative Corp.
Jonesboro, Arkansas

El Dorado Water Company
El Dorado, Arkansas

First Electric Cooperative Corporation
Jacksonville, Arkansas

Fort Smith Gas Corporation
Fort Smith, Arkansas

General Waterworks Corporation
Pine Bluff, Arkansas

Batesville Water Company, Inc.
Batesville, Arkansas

England Water Company, Inc.
England, Arkansas

Fordyce Water Company
Fordyce, Arkansas

Hamburg Water Company, Inc.
Hamburg, Arkansas

Morrilton Water Company, Inc.
Morrilton, Arkansas

Pine Bluff Water Company, Inc.
Pine Bluff, Arkansas

Rison Water Company, Inc.
Rison, Arkansas

Russellville Water Company, Inc.
Russellville, Arkansas

McGehee Water Corporation
McGehee, Arkansas

D. C. McKee Empire District Electric Company
Joplin, Missouri

Magazine Telephone Company
Booneville, Arkansas

MidSouth Gas Company
Little Rock, Arkansas

North Arkansas Electric Cooperative, Inc.
Salem, Arkansas

North Little Rock Water Company
North Little Rock, Arkansas

Oklahoma Gas & Electric Company
Oklahoma City, Oklahoma

Ouachita Rural Electric Cooperative Corp.
Camden, Arkansas

Ozarks Electric Cooperative Corporation
Fayetteville, Arkansas

Petit Jean Electric Cooperative Corp.
Clinton, Arkansas

Public Utilities Company of Crossett
Crossett, Arkansas

Riceland Electric Cooperative, Inc.
Stuttgart, Arkansas

Rich Mountain Electric Cooperative, Inc.
Mena, Arkansas

Southwest Arkansas Electric Cooperative Corporation
Texarkana, Arkansas

Southwestern Bell Telephone Company
Little Rock, Arkansas

Southwestern Electric Power Company
Shreveport, Louisiana

Southwestern States Telephone Company
Brownwood, Texas

Union Gas Company of Arkansas
Jackson, Mississippi

United Telephone Company of Arkansas
Alma, Arkansas

Woodruff Electric Cooperative Corp.
Forrest City, Arkansas

1989

ACC becomes Arkansas' first SBA Certified Development Company under the Small Business Investment Act to provide 504 loans

1990

C. Sam Walls, Jr. appointed CEO
• ACC approved to participate in the SBA 7A Guaranteed Loan Program

1991

\$30 million of capital deployed

LENDING

WHO WE SERVE

As a federally-certified community development financial institution (CDFI), Arkansas Capital specializes in lending to individuals, organizations, and businesses in under-resourced communities, offering clients affordable loans that increase economic potential and help build wealth.

We partner with federal and state government agencies and banks to extend creative and innovative solutions that meet small business owners exactly where they are; that's what makes Arkansas Capital special. We work to support hard working entrepreneurs in ways that are uniquely tailored to their financial needs.

Our team is a trusted partner with banks across Arkansas in conventional commercial, SBA 7a, SBA 504, and USDA Business and Industry (B&I) lending.



Since 1994

CDFIs (community development financial institutions) have worked for economic, social, and racial justice. Arkansas Capital has upheld this mission with integrity, honor, and compassion. CDFI financing is transformational.

1993

ACC becomes the first certified SBA Preferred Lender in Arkansas

1997

ACC approved as a lender under the USDA Business and Industry Guaranteed Loan Program

1999

Established Diamond State Ventures, Arkansas' first venture capital fund

2022 Lending Impact: By the Numbers

\$78,991,123

Total Loans Made in 2022

\$53,228,523

Loans to Rural Communities

\$42,075,000

Loans to Persistent Poverty Counties

\$2,007,000

Loans made to Women-Owned/Led Businesses

\$8,625,000

Loans to Minorities

266,090

Square Feet of Real Estate Constructed or Rehabilitated

In addition to measuring economic impact in terms of financing provided to small business owners, we also understand the critical need to create and retain living wage jobs in distressed communities.

262

Total Number of Jobs
Created in 2022

96%

Accessible Jobs

258

Total Number of Jobs
Retained in 2022

94%

Quality Jobs

Small Business Spotlight

K2 Marine

When demand for center-console fishing boats began to exceed its ability to build them, K2 Marine of Knoxville, Arkansas, located in rural Johnson County, needed money to grow. With financing from ACC, the company was able to turn a nearby abandoned building into one that would double its manufacturing capacity. The costs of renovating and upgrading the equipment needed to meet K2's precise technical standards were also financed. K2 was able to hire more full-time workers for the new facility, which not only resulted in K2 exceeding its new production goals, but also in more prosperous economic development for the area.

Wisteria Goldens

Wisteria Goldens is a nationally renowned breeder and trainer of Golden Retrievers in Greenwood, Arkansas. The owners wanted to improve the 10 acres they had dedicated to the breeding and training grounds and came to Arkansas Capital to fulfill their request. ACC provided capital to purchase additional adjacent land and construct a new building to house the training facility. Arkansas Capital was able to build the costs of the professional fees associated with the construction into the loan to help limit the out of pocket costs to the borrower.

Burrows Pharmacy

Wishing to retire and enjoy the fruits of their many years of building a pharmacy business in Beebe, Arkansas, the owners of Burrows Pharmacy turned to Arkansas Capital to finance the sale of their company to their senior pharmacist who had served the family business for many years. The acquisition not only allowed a hard working husband and wife team to pursue a new chapter in life and a young pharmacist to realize his dream of business ownership, but the small town of Beebe would continue to be served by one of the last independently owned pharmacies in the area.

2001

Inaugural Governor's Cup business plan competition with a \$61,000 prize pool
• \$150 million of capital deployed

2002

Heartland Renaissance Fund becomes a Certified Development Entity through the CDFI Fund

2003

\$200 million of capital deployed

PINE STATE REGIONAL CENTER

ABOUT THE EB-5 PROGRAM

Congress created the EB-5 program in 1990 to benefit the U.S. economy by attracting investments from qualified foreign investors seeking a U.S. permanent resident visa. Under the program, each investor is required to demonstrate that a significant number of new jobs will be created or saved as a result of the EB-5 investment. Each investment must be a minimum of \$800,000 if the funds are invested in certain high-unemployment or rural areas.

The EB-5 Regional Center Program is a modern economic development mechanism that utilizes creative global strategies and investments to solve the need for flexible and affordable financing for economic development projects throughout the country. Arkansas Capital, through its subsidiary, Pine State Regional Center (PSRC), is proud to offer this high caliber, ultra-sophisticated tool among its pool of financing options for impactful development projects.



2004

Heartland Renaissance Fund receives Arkansas's first allocation of \$15M of Federal New Markets Tax Credits to support community development financing throughout the state

2006

Inaugural Youth Entrepreneur Showcase (Y.E.S.) business plan competition launched for 5th through 8th grade students



Featured Project

Big River Steel

PSRC utilized the EB-5 Program to raise more than \$150 million of funds, deployed in the “greenfield” construction and follow-on expansion of the Big River Steel recycling and processing facility in Mississippi County, Arkansas. BRS is the world's first, and still only, steel producer with LEED (Leadership in Energy and Environmental Design) certification and flex mill capabilities empowered by artificial intelligence. The catalytic impact of BRS on its surrounding multi-state region has been profound and continues to grow. In 2021, U.S. Steel completed the full acquisition of BRS, and construction is already underway on the BRS campus for a \$3 billion further expansion, again doubling the production capacity and adding even more advanced product capabilities.



PINE STATE®
— REGIONAL CENTER —
A SUBSIDIARY OF ARKANSAS CAPITAL CORPORATION

2007

\$300 million of capital deployed • Connect Arkansas was established to manage Arkansas's portion of the Federal Broadband Technology Opportunities Program to increase the public's adoption and use of high-speed internet through digital literacy training and Computers 4 Kids programs.

2009

Heartland Renaissance Fund awarded \$55 million and \$70 million of Federal New Markets Tax Credits in two allocations
• \$400 million of capital deployed

HEARTLAND RENAISSANCE FUND

Heartland Renaissance Fund (HRF) is a federally certified Community Development Entity dedicated to stimulating economic activity in disadvantaged areas through use of federal New Markets Tax Credits (NMTC). Heartland serves a seven-state region consisting of Arkansas, Louisiana, Mississippi, Missouri, Oklahoma, Tennessee and Texas.

2022 New Markets Tax Credits Impact: By the Numbers



\$29,095,023

NMTC projects closed in 2022

\$7,975,000

NMTCs deployed to minority owned/
controlled organizations

\$9,095,023

NMTCs deployed to rural areas

20.3 million

Meals served

68,494

Students served through both traditional
education and enrichment programs

4,574

Homeless individuals provided with housing,
workforce training, child care, and medical services

2011

ACC named National Small Business Investment Company
of the Year by the SBA • \$500 million of capital deployed •
Diamond State Ventures named Small Business Investment
Company of the Year

2012

Pine State Regional Center established to facilitate access to
capital for Arkansas projects through the EB-5 Regional Center
• Heartland Renaissance Fund receives \$60 million in Federal
New Markets Tax Credits

HRF Featured Projects



University of the Ozarks

HRF provided \$13 million of NMTCs to the University of the Ozarks in Clarksville, Ark., for remodeling and

expansion of its Smith-Broyles Science Building, built in 1969. The 2022 student enrollment demographics included 19% with diagnosed learning disabilities, 30% as first-generation college students, 58% as low-income, and 98% were receiving financial aid. Extensive upgrades and expansions were needed to bring the building's classrooms and labs to current technological and safety standards and to meet increased student demand for STEM education. For the \$19M renovation cost, the university held a capital fund drive and also procured a loan from Arvest Bank. HRF's NMTC allocation allowed the university to cover a gap of unanticipated additional construction costs without increasing student tuition. The building was completed and opened at the beginning of the Spring 2022 semester.



Our House

Our House in Little Rock, Ark., provides a uniquely effective, multi faceted and holistic

pathway out of homelessness for adults, children, and entire families. Nearly 90% of clients are stably housed after 12 months in the program. But with the numbers of total clients served increasing by 64% since 2016, Our House needed to expand – in November 2019 alone, 463 people were turned away from their housing program due to insufficient capacity; waitlists for their preschool and elementary school programs exceeded 300. A \$16M development plan was put into place, which included \$12.6M for a 27,300 sq. ft. expansion of facilities, located on seven acres within a highly distressed census tract. HRF provided a \$10M NMTC allocation which was crucial to the project due to increased construction costs. The project was financed through a capital fund drive as well as bridge financing and NMTC Equity provided by First Horizon Bank. The project has created 43 jobs.



Sovereign Pipe Technologies

With help from HRF, Sovereign Pipe Technologies, an enterprise of the Citizen Potawatomi Nation (CPN), became the first tenant in the CPN's Iron Horse

Industrial Park in Shawnee, Okla. The park sits on 700 acres of tribal land within a highly distressed census tract, where over 50% of residents live in poverty. CPN set forth to invest \$25M into the project. But because of the project's startup nature, the CPN wasn't able to pay the high costs to finance the equipment unless it diverted funds from social services programs for its members. HRF provided \$7M in NMTC allocation for the equipment, the CPN Community Development Corporation provided the debt and tax credit equity was provided by Wells Fargo. With the new 45,000 sq. ft. facility, which includes clean energy systems, Sovereign Pipe has hired 40 employees and will expand to nearly 70 at full production. Each new hire, recruited from among CPN members and low-income residents, will receive job training through the local community college. The CPN is showcasing Sovereign Pipe's success as an opportunity to attract more manufacturers – and high- paying jobs – into the industrial park.



Arkansas Museum of Fine Arts

HRF partnered with the museum by providing \$10 million of NMTCs for renovation and expansion of its

building and grounds, located in Little Rock, Ark. The new 133,000 sq. ft. facility includes galleries, a performing arts theater, an art school, community meeting space, a research center, lecture hall, museum store and restaurant. NMTC financing allowed the museum to expand its offerings targeted to low- to moderate-income Arkansans, such as the Children's Theatre on Tour, more virtual and in-person partnerships with school districts across Arkansas, and more Museum School scholarships.

2013

Rush Deacon appointed CEO

2014

\$700 million of capital deployed

2015

Heartland Renaissance Fund wins Non-Metro Project of the year from the Novogradac Journal of Tax Credits • ACC receives certification as a Community Development Financial Institution from the CDFI Fund

ACC Affiliate

ARKANSAS ECONOMIC ACCELERATION FOUNDATION



2016

Heartland Renaissance Fund awarded \$65 million of Federal New Markets Tax Credits

2017

\$800 million of capital deployed

2019

Heartland Renaissance Fund awarded \$35 million of Federal New Markets Tax Credits

- \$900 million of capital deployed

Governor's Cup Statistics Since 2001

954

Number of teams
competing from 14
colleges and universities

\$2,693,000

Total cash prizes awarded

3,094

Number of students impacted

1,134

Total volunteer judges

\$3,422,186

Total sponsor dollars invested

argovernorscup.org

Y.E.S. Statistics Since 2006

3,139

Number
of teams
competing
from 449
schools in
14 counties.

9,468

Number of
students
impacted

409

Total
volunteer
judges

\$116,272

Total cash
prizes
awarded

arcapital.com/yesforarkansas

Empowering Future Entrepreneurs before Entrepreneurship was "Cool"

AEAF a Pioneer and a Catalyst for Entrepreneurship Growth in Arkansas and Beyond

The Arkansas Governor's Cup and the Youth Entrepreneur Showcase (Y.E.S.) for Arkansas business plan competitions are managed by ACC's 501(c)(3) affiliate, the Arkansas Economic Acceleration Foundation (AEAF). Both provide monetary incentives to attract energized, creative, and innovative young Arkansans who have great business ideas or who want to learn more about entrepreneurship. ACC and AEAF are widely credited for being a major catalyst in the evolution of today's world-renowned entrepreneur ecosystem in Arkansas.

Both competitions make an impact – all competitors gain new and stronger personal and professional skills, plus entrepreneurial knowledge – all of which will serve them, and our state, well into the future. Most of all, they discover the resources they need to start or grow businesses can be found here at home.

Both the Governor's Cup and Y.E.S. competitions continue to flourish. The Governor's Cup, which was first held in 2001, is a rigorous, hands-on process requiring students to be fully immersed in all aspects of launching a startup. Teams produce business plans showing customer research and other data proving their ideas are viable and can make money. Finalists present their ideas and plans directly to judges, many of whom are also potential investors.

Many colleges and universities now offer certificate and degree programs in entrepreneurial education. ACC and other sponsors have invested \$3.4 million to keep the competition free to students.

In 2006, AEAF established the Youth Entrepreneur Showcase (Y.E.S.) for Arkansas business plan competition for the state's 5th-8th grade students. Although the requirements of Y.E.S. are not as complex as the Governor's Cup, the rigor is there. Like college faculty, teachers see the value of Y.E.S. because it's a structured pathway that helps them teach their core education requirements while giving students hands-on experience in entrepreneurship.

AEAF's impact has recently expanded outside of Arkansas. The Governor's Cup's title sponsor since 2018, Dhu Thompson, partnered with AEAF to create a collegiate business plan competition for his home state of Louisiana. He turned to his alma mater, the University of Louisiana Monroe (ULM) to host the competition and to Arkansas Capital/AEAF to help ULM lay the foundation for an annual, statewide event. The Entrepreneurship Pelican Cup was launched in 2022 with Dhu as its title sponsor.

AEAF was also invited by the University of Arkansas – Fayetteville and the Walton Family Foundation to help the university create a new global, collegiate business competition to bring graduate students and their early-stage company ideas to Arkansas. The university was one of the earliest adopters of the Governor's Cup and credits the competition with having a key role in the evolution of its entrepreneurship and innovation programs of study. Its teams also began competing at the national and global levels, winning multiple competitions, and gaining worldwide recognition and prestige for the development of its student entrepreneurial talent and its entrepreneurship programs.

The Heartland Challenge Startup Competition launched in 2020 with AEAF assisting the university with conducting the first round, and again in 2021 and 2022. As the home of Walmart, Sam's Club, Dillard's, Tyson Foods, J.B. Hunt, ArcBest, Stephens Inc., and more, visiting teams saw first-hand why these companies call the state home – and how those opportunities are still there if they want to follow in the footsteps of these national and global leaders.

2020

Heartland Renaissance Fund awarded \$35 million of Federal New Markets Tax Credits • ACC provides \$55 million of Payroll Protection Program lending to help small businesses survive the COVID-19 pandemic

2021

Heartland Renaissance Fund awarded \$40 million of Federal New Markets Tax Credits • ACC provides \$22 million of Payroll Protection Program lending

2022

\$1 billion of capital deployed • Sam Walls, III appointed CEO

COMMUNITY DEVELOPMENT

To help guide and inform our work in reaching underrepresented populations, we have an active community development advisory board composed of a diverse set of professionals who work directly in the entrepreneurial space.

“SEPARATE - to be seen in the crowd.” In a highly competitive financial market, our Company has done just that. Serving in my role of 29 years at Arkansas Capital Corporation, we thrive on the unique ability to relate with our borrowers throughout Arkansas and our borders, by building a different TYPE of relationship than a typical lender. We navigate our borrower from possibility to entrepreneur reality in a leadership capacity so they can pursue their dreams of success.

SANDRA HAIRSTON,
EVP – Closing Department

“Arkansas Capital values community partners. We understand the idea of strength in numbers, so we actively promote and invest in a wide array of people and organizations. We hold fast to the notion that with diversity comes expanded thought, deepened perspectives, and increased awareness. Because of this, we will continue to actively invest in progressive programs that build upon our work in increased access to capital, knowledge, and opportunity.”

ANGELA FRIERSON SHIREY,
Vice President
Community Development



In 2022, ACC received an Impact Management Rating from AERIS, a leading expert in the financial and impact performance of CDFIs and other private impact loan funds. ACC received three out of four stars for Impact Management and an A rating for Financial Strength and Performance.

2022 ARKANSAS CAPITAL COMMUNITY DEVELOPMENT ADVISORY BOARD

Martha Moore
President, McCormick Works

Rodrigo Salas
Executive Director,
Entrepreneurship for All

Esperanza Massana Crane
Director, Minority and Women
Business Development Center,
Arkansas Economic
Development Commission

Jeanette Balleza Collins
Director,
Northwest Arkansas Council

Chauncey Holloman Pettis
Director, Arkansas Women's
Business Center, Winrock
International

Kim Carter Evans,
Regional Director,
TruFund Financial Services

Phillip Adams
Executive Director, Forge Inc.

ARKANSAS CAPITAL CORPORATION INVESTS FUNDS TO GROW MINORITY-LED FIRMS



Arkansas Capital is proud to be an investor in a \$15M inaugural fund created by High Street Equity Partners to directly invest nationwide into emerging and potentially scalable, technology-focused businesses created by minority founders who have historically faced barriers in accessing venture capital.

According to CEO Sam Walls, the investment by Arkansas Capital will be specifically for supporting the growth of companies based in Arkansas. “We are thrilled to join High Street in its mission to improve and create value in Arkansas communities,” he said. “Focusing on stimulating economic growth and empowering entrepreneurs in underserved communities is vital to create equal opportunity for everyone in the community to thrive.”

High Street Equity Partners’ General Partner Mitch Brooks agreed. “We know that when we work together to empower those in our community who need it most, we are uplifting everyone. This investment is significant as we work to build up technology companies within the state of Arkansas.”

Arkansas Capital Celebrates Partnerships and Collaborations

Arkansas Capital proudly sponsors organizations that offer undeniably strong social and economic benefits to young people and adults alike. Because of this, we use our financial resources and employee time to actively support this work.

Federal, State, Regional, and Local Partner Agencies and Organizations:

The U.S. Small
Business Administration
Arkansas Small
Business Technology
and Development Center
The Venture Center
Startup Junkie
The Innovation Hub
United States Citizenship and
Immigration Services
Community Development
Financial Institutions Fund
Opportunity Finance Network
New Markets Tax Credit Coalition

Arkansas Capital Actively Engages in Entrepreneurial Initiatives and Innovative Programs

Arkansas CDFI Coalition

Launch of the
inaugural VC
Women Achieve
Mentorship Program

Women’s Foundation of
Arkansas Economic
Mobility Hub

BankOn+ Coalition

Global Ties Arkansas Young
Southeast Asian Leaders

Initiative Professional
Fellows Program

Black Wealth
Landscape Cohort

Arkansas Capital Invests in Community Programs and Events

Soirée Women’s
Leadership Symposium

Big Brothers Big Sisters of
Central Arkansas

Downtown Little Rock
Partnership Annual Luncheon

Arkansas Economic
Development Commission
Matchmaking Event

Arkansas Human Development
Corporation Minority Business
Development Conference

Little Rock Regional
Chamber Annual Small
Business Impact Awards

2022 Northwest Arkansas
Black-Owned Business Expo

Sydney Moncrief’s “30 for 30
Shadow and CEO” program

THE ACC TEAM

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65 years ago, a large group of private sector Arkansans recognized our state risked continued population decreases and declining prosperity if something significant was not done to stem the tide. The dire situation required a significant and novel effort equal to the task at hand. The response was the creation of a private sector company described by some as one of the most unique entities for economic development devised in the post-World War II era. Just as in any private sector endeavor it is self-sustaining financially and thus enjoys the productive culture necessary to produce results.

The founders recognized from the outset the need to focus on the two principal elements of enterprise development: management and capital. The ultimate objective has always been to be the catalyst for the establishment of an ecosystem supporting enterprise development.

By any measure, the results of ACC's work are remarkable, speak for themselves, and are recognized both within and outside of Arkansas.

We are an Arkansas idea, managed by Arkansas people, wholly dedicated to the well-being of our citizens present and those yet to be.

C. SAM WALLS, JR.
Former CEO of Arkansas Capital

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ARKANSAS CAPITAL CORPORATION STAFF

Senior Leadership

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Sandra Hairston
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Bert King
Rush Deacon

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Tonya Brown
Tess Davis
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Austin Logan
Lana Waldron
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Heartland Renaissance Fund

Becka Webb
Linda Abrams

Pine State

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Arkansas Economic Acceleration Foundation

Marie Bruno

Community Development

Angela Frierson Shirey

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Arkansas Bankers Association, CAE
President & CEO

Sam Walls, III
Arkansas Capital Corporation
President & Chief Executive Officer

OUR MISSION

A Capital Partnership: Arkansas Capital is a private, nonprofit special project finance company formed in 1957 by Winthrop Rockefeller and other business leaders in Arkansas who saw the need to transform the state from an agricultural-dominated economy to a more diverse commercial economy. Through its affiliates and subsidiaries, Arkansas Capital partners with commercial banks, small businesses, and others from the private and public sectors to create and preserve employment opportunities and stimulate economic development in Arkansas and its bordering states. Since its creation, Arkansas Capital and its partners have deployed more than \$2.34 billion to small businesses and economic development projects. Arkansas Capital is certified by the U.S. Department of Treasury as a Community Development Financial Institution and by the Arkansas State Bank Department as an Economic Development Enterprise. These certifications affirm Arkansas Capital's commitment to serving all communities, including unserved and underserved areas.



ARKANSAS
CAPITAL

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