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Pearl Cohen Zedek Latzer Baratz

U.S. Government Business Loans and Grants Virtual Event

April 20, 2020

Webinar with Pearl Cohen Zedek Later Baratz:
Zeev Pearl, Dr. Oz Halabi and Guy Milhalter

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Welcome to Pearl Cohen

- Global offices (NY, Tel Aviv, Boston, London, LA and Haifa)
- Largest patent attorney firm in Israel
- Representing innovation-driven enterprises



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Your Global Partners in the Business of Innovation

25+ INDUSTRIES

- AI, AT and VR
- Automotive
- Blockchain/Cryptocurrency
- Cannabis
- Cyber and Data Security
- Digital and 3D Printing
- Fintech, Insurance
- Gaming
- Internet
- IoT
- Materials and Nanotechnology
- Pharmaceuticals
- Software

330 PROFESSIONALS WORLDWIDE

200 ATTORNEYS
Including:
55 Patent Attorneys & Agents
30 Ph.D's
30 with Multiple Degrees
20 LAW INTERNS
110 PARALEGALS & PROFESSIONAL SUPPORT

MULTINATIONAL CLIENTS

Fortune500 Mid Cap Startups Investors Academia

30 PRACTICE AREAS

A FULL-SERVICE FIRM

- Antitrust and Competition
- Capital Markets and Securities
- Commercial Litigation
- Commercial Transactions
- Constitutional and Administrative Law - Israel
- Copyright
- Copyright Litigation
- Corporate
- Corporate Governance
- Cross Border Litigation
- Designs
- Employment and Employee Benefits
- European Patent Office
- Fund Formation, Venture Capital and Private Equity
- Intellectual Property
- Immigration and Relocation
- Israel Patent Office
- Licensing - Life Sciences
- Mergers and Acquisitions
- Patent Litigation
- Patents
- Privacy, Cybersecurity, Data Protection, Open Source
- Real Estate
- Standard Essential Patents
- Startups
- Tax and Transfer Pricing
- Technology Licensing and Joint Ventures
- Trade Secrets, Software, Standards and IPR Litigation
- Trademark and Design Litigation
- Trademarks and Brand Protection

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COVID-19 Pandemic Updates- www.pearlcohen.com

COVID-19 Pandemic Updates

As legal issues and concerns stemming from the ongoing COVID-19 global pandemic continue to rapidly change, Pearl Cohen has created a designated update page to keep our clients informed of the latest news and information. Important information concerning the COVID-19 pandemic, including alerts, announcements, webinars and podcasts with key insights on the ever-evolving legal and regulatory implications of the outbreak, can be found here.

Home - COVID-19 Pandemic Updates

SEARCH AT THE CENTER

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- US Updates
- Intellectual Property



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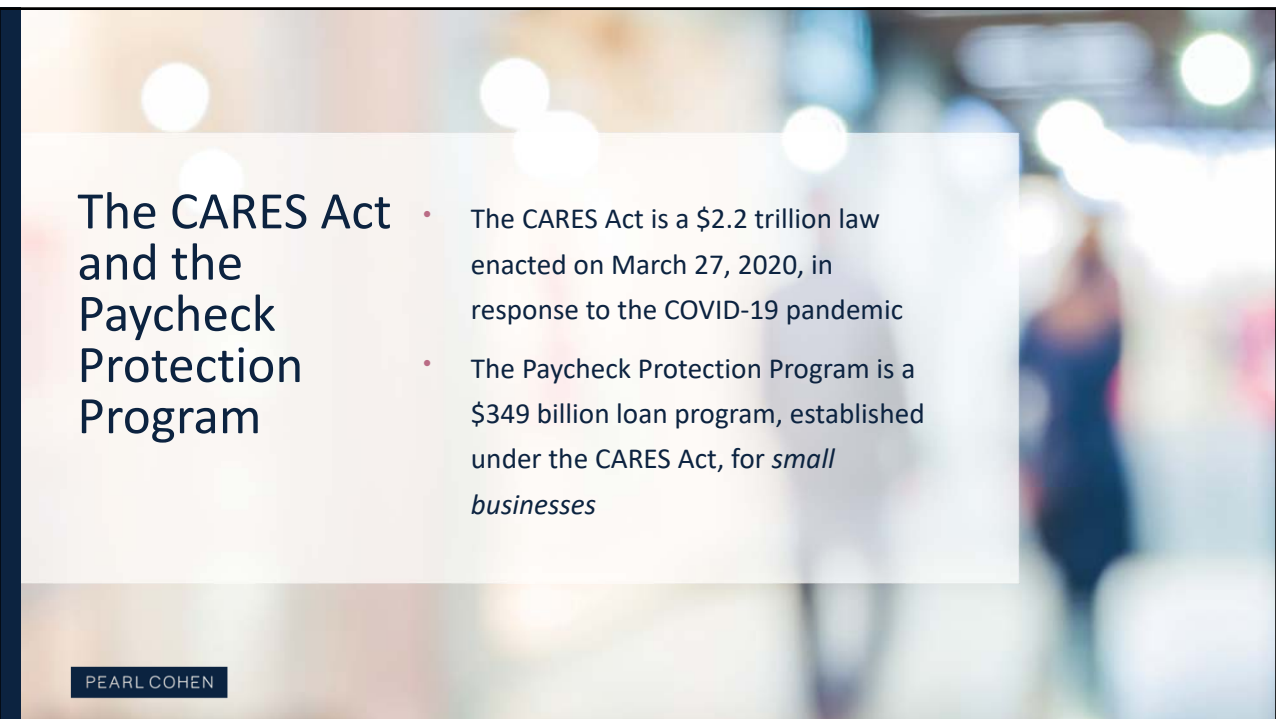
Thank You!

For more information, please feel free to reach out:

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The CARES Act and the Paycheck Protection Program

- The CARES Act is a \$2.2 trillion law enacted on March 27, 2020, in response to the COVID-19 pandemic
- The Paycheck Protection Program is a \$349 billion loan program, established under the CARES Act, for *small businesses*

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Paycheck Protection Program – Overview

- All small businesses with 500 or fewer employees are eligible
- Eligible businesses can borrow an amount equal to 2.5 of their average monthly payroll
- Money can be spent on payroll costs, rent, utilities, and mortgage interest
- Loans may be fully forgiven if certain conditions are met
 - Must spend loan amount within 8 weeks
 - At least 75% must be spent on payroll costs
 - Forgiveness amount will be reduced if reducing headcount and wages

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Paycheck Protection Program - Stats

Loan Count	Net Approved Dollars	Lender Count
1,661,367	\$342,277,999,103*	4,975

- Funding for the Program ran out last week
- Demand for loans was enormous
- Proposals in Congress for additional \$250B in funds

Loan Size

Loan Size	Approved Loans	Approved Dollars	% of Count	% of Amount
\$150K and Under	1,229,893	\$58,321,791,761	74.03%	17.04%
>\$150K - \$350K	224,061	\$50,926,354,675	13.49%	14.88%
>\$350K - \$1M	140,197	\$80,628,410,796	8.44%	23.56%
>\$1M - \$2M	41,238	\$57,187,983,464	2.48%	16.71%
>\$2M - \$5M	21,566	\$64,315,474,825	1.30%	18.79%
>\$5M	4,412	\$30,897,983,582	0.27%	9.03%

* Overall average loan size is \$206K.

Industry by NAICS Subsector

NAICS Subsector Description	Approved Loans	Approved Dollars	% of Amount
Construction	177,855	\$44,896,508,018	13.12%
Professional, Scientific, and Technical Services	206,301	\$41,204,713,038	12.05%
Manufacturing	158,863	\$40,522,242,021	11.86%
Health Care and Social Assistance	183,842	\$39,892,453,641	11.65%
Accommodation and Food Services	161,678	\$30,530,417,878	8.91%
Retail Trade	186,426	\$29,474,369,863	8.59%
Wholesale Trade	65,678	\$19,468,413,472	5.69%
Other Services (except Public Administration)	155,518	\$17,737,077,167	5.17%
Administrative and Support and Waste Management and Remediation Services	74,618	\$15,296,814,286	4.47%
Real Estate and Rental and Leasing	79,764	\$15,143,430,227	4.42%
Transportation and Warehousing	44,415	\$15,098,076,211	4.41%
Finance and Insurance	69,234	\$8,127,041,692	2.38%
Educational Services	25,108	\$8,062,852,288	2.36%
Information	22,826	\$8,474,653,719	2.48%
Arts, Entertainment, and Recreation	39,670	\$4,530,280,138	1.32%
Agriculture, Forestry, Fishing and Hunting	46,304	\$4,274,343,077	1.25%
Mining	11,508	\$3,366,793,027	0.98%
Public Administration	5,570	\$1,197,353,688	0.35%
Management of Companies and Enterprises	3,215	\$1,175,748,138	0.34%
Utilities	3,247	\$1,027,975,137	0.30%

Source: [SBA Paycheck Protection Program Loan Report](#)

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Is the PPP Still Available?

- Late last week, the SBA announced that funding for the PPP has run out and that applications will no longer be accepted
- The [latest reports](#) by the WSJ, suggest that Democrats and Republicans, in the Administration and on Capitol Hill, are close to an agreement to appropriate an additional \$310 billion for the PPP, and another \$60 billion for the Economic Injury Disaster Loan program
 - The new bill appropriating additional funds for the PPP may alter some of the program's parameters
- Applications that have already been submitted will continue to be processed on a first-come first-served basis

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Economic Injury Disaster Loan Program

- Under the EIDL Loan Program, the SBA offers long-term, low-interest loans to small businesses in designated disaster areas
- As a result of the COVID-19 pandemic, all U.S. states and territories have been designated disaster areas
- Loan terms:
 - Loans of up to \$2 million
 - 3.75% interest for small businesses
 - Term of up to 30 years
- The CARES Act authorized the SBA to provide grants of up to \$10,000 to applicants.
 - Funding for this program has run out. However, proposed new legislation would appropriate another \$60 billion for this program

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The Federal Reserve's Main Street New Loan Facility

- The Federal Reserve is creating a new \$600 billion loan program
- Lenders will be able to sell 95% of the loan amount to a special purpose vehicle created by the Federal Reserve
- Eligible borrowers:
 - Businesses with up to 10,000 employees or up to \$2.5 billion in 2019 annual revenues.
 - Must be a business that is created or organized in the U.S. or under the laws of the U.S. with significant operations and a majority of its employees based in the U.S.
- Loan Terms:
 - 4-year maturity
 - Adjustable rate of between 2.5% and 4%
 - Minimum loan amount is \$1 million
 - Maximum loan amount is the lesser of (a) \$25 million and (b) 4 times the borrower's EBITDA

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Q&A Moderated by Zeev Pearl

- In depth discussion about the PPP:
 - Program requirements and eligibility
 - The affiliation rules
 - Permitted loan uses
 - Loan forgiveness
- Discussion about other programs

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