



CDA Agenda Item

Meeting Date:	October 17, 2024
Agenda Item:	Staff Update Regarding Inventalator Capital Catalyst Loans
Staff Contact (name, email, phone):	Taylor Zeinert tzeinert@whitewater-wi.gov 262-473-0148

BACKGROUND

(Enter the who, what when, where, why)

At the September 19, 2024 CDA Meeting, Finance Director Rachelle Blich presented a report regarding the status of the outstanding Inventalator Capital Catalyst Loans. It was the recommendation of Finance Director Blich to have the attorney assess the feasibility and means of pursuing collection.

After review of the loan files, Attorney Manthe offered the following recommendation:

To collect the debt, we would start by sending a demand letter listing all defaults and demanding that the borrower cures the default within a certain number of days. If the borrower does not cure the default as demanded, the next step would be to commence a complaint and assert claims for breach of contract and replevin. Estimated time to prepare the necessary documents to file the complaint is 2-8 hours. It is noted that there is a valid UCC Financing Statement on file with a lapse date of November 13, 2024; a Continuation needs to be filed with the Department of Financial Institutions no later than November 13, 2024 extending the lapse date for five years.

Attorney Manthe is drafting the Demand Letter.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

Following discussion by the Board, it was moved by Board Member Hicks and seconded by Board Member Kachel to direct CDA legal counsel to pursue collection of the loans. The motion passed by unanimous roll call vote. EDD Zeinert directed CDA Attorney Manthe to review the loans and advise as to what course of action to take.

FINANCIAL IMPACT

(If none, state N/A)

Current balance of the loans:

- \$77,500 principal plus \$44,594.09 accrued interest totaling \$122,094.09.
- \$27,500 principal plus \$18,754.72 accrued interest totaling \$46,254.72.

STAFF RECOMMENDATION

ATTACHMENT(S) INCLUDED

(If none, state N/A)

None.