



MEMORANDUM

TO: Delegates of the Michigan Strategic Fund ("MSF") Board for the Michigan Business Development Program

FROM: Joshua Hundt, Senior Regional Project Manager

DATE: May 21, 2012

SUBJECT: Approval of Michigan Business Development Request for \$750,000 Performance-based Grant to:

MedDirect, Inc. ("Applicant" or "Company")
3200 Broadmoor SE
Grand Rapids, Michigan 49512
www.Meddirect.net

MBDP PROGRAM AND ITS GUIDELINES

On December 21, 2011, the MSF Board approved the Michigan Business Development Program ("MBDP") and its guidelines. The primary intended objective of the MBDP is to provide incentives to businesses that create qualified jobs, make qualified investments, or a combination of both, in Michigan.

SOURCE OF INFORMATION

It is the role of the Project Management staff ("MEDC Staff") to review for eligibility, completeness, and adherence to MBDP guidelines, the information provided by the applicant and to manage the MSF's investment. Explanatory and background information is supplied in summary form to provide context for the request and is drawn exclusively from materials submitted by the applicant, and, as applicable, from other relevant third party sources utilized by MEDC staff.

HISTORY OF THE APPLICANT

MedDirect, Inc. was formed in 2000 and has been located in the Grand Rapids, Michigan area since that time. The company focuses on managing patient customer service and patient pay accounts receivable management for the medical industry. MedDirect, Inc. serves medical providers in 37 states and patients in all 50 states.

In 2011 MedDirect, Inc. was acquired by BCP MedData Holdings, LLC and is now a member of the MedData, Inc. group of companies. This new relationship with MedData is expected to significantly increase business volumes and revenues for MedDirect.

The Applicant has not received any incentives from the MSF previously.

Michigan Economic Development Corporation

00 North Washington Square | Lansing, MI 48913 | 888.522.0103 | MichiganAdvantage.org | michigan.org

PROJECT DESCRIPTION

The Applicant plans to open a new facility in Michigan, make investments and create jobs related to their growth in patient customer service and patient pay accounts receivable management.

- a) The Applicant is a “Qualified Business”, as defined in MCL 125.2088r(9)(b), that is located and operates in Michigan.
- b) The project will be located in the City of Grand Rapids. The City of Grand Rapids has offered a “staff, financial, or economic commitment to the project” in the form of a property tax abatement under PA 328 of 1998 for seven years. The community has estimated the value of this abatement at \$80,895.
- c) The Applicant has demonstrated a need for the funding. The Company received competitive economic development incentive packages from Ohio and Indiana.
- d) The Applicant plans to create 300 Qualified New Jobs above a statewide base employment level of 52.
- e) Pursuant to the program guidelines, the following was taken into consideration for the proposed project: The Company has the prospect of near term job creation, with 106 jobs expected to be created in 2012. The project involves out-of-state competition from sites in Indiana and Ohio. Additionally, this project is expected to result in a positive return on investment for the State of Michigan.

INCENTIVE OPPORTUNITY

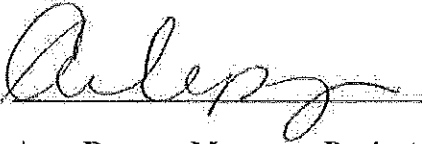
This project involves the creation of 300 Qualified New Jobs and a capital investment of up to \$2,109,524 in the City of Grand Rapids. The requested incentive amount from the MSF is \$750,000 in the form of a performance-based grant. Please see below for more information on the recommended action.

RECOMMENDATIONS

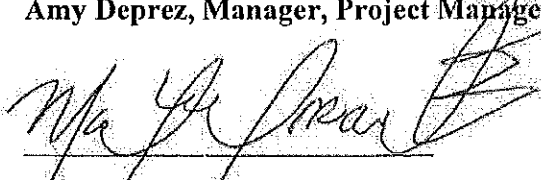
MEDC Staff recommends (the following, collectively, “Recommendation”):

- a) Approval of the MBDP Proposal as outlined in the attached term sheet (collectively, “MBDP Proposal”);
- b) Closing the MBDP Proposal, subject to available funding under the MBDP at the time of closing (“Available Funding”), satisfactory completion of due diligence, (collectively, “Due Diligence”), finalization of all MBDP transaction documents, and further subject to the following terms and conditions:
 - a. Commitment will remain valid for 90 days with approval for MSF Fund Manager to extend the commitment an additional 30 days.

APPROVAL AUTHORITY – MBDP SUPPORT MEMO
Michigan Economic Development Corporation



Amy Deprez, Manager, Project Management

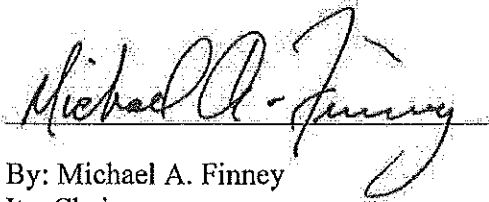


Mark Morante, Senior Vice President, Program Management

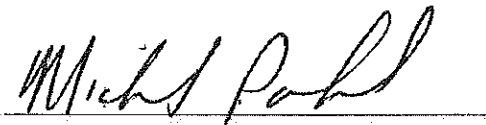
The Recommendation is approved subject to Available Funding and Completion of Due Diligence, and execution of all MBDP transaction documents, all in accordance with the MBDP and its guidelines:

Note: To utilize the delegation authority granted by the MSF Board, the approval of the Chairperson, and either the MSF Fund Manager or the MSF State Treasurer Director, are required for this commitment under the MBDP:

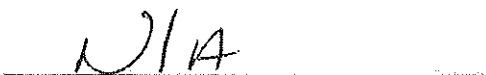
Michigan Strategic Fund



By: Michael A. Finney
Its: Chairman



By: Michael Pohnl
Its: Fund Manager



By: Andy Dillon, State Treasurer
Its: Director