



500 N. WASHINGTON SQ.  
ANN ARBOR, MI 48103

CUSTOMER  
CONTACT CENTER  
734 773 9808

WWW.MICHIGAN.ORG

MEMORANDUM

FILE

ORIGINAL

DATE: April 17, 2007  
TO: Michigan Economic Growth Authority  
FROM: Jim Donaldson, Vice President  
Business Development  
SUBJECT: Briefing Memo – World Alliance Financial Corp.  
Standard Credit

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COMPANY NAME AND ADDRESS:

World Alliance Financial Corp. f/k/a Vertical Lend, Inc.  
3 Huntington Quadrangle, Third Floor  
Melville, New York 11747

HISTORY OF COMPANY:

Founded in 1996, World Alliance Financial Corp. (WAFC) is based in New York with operations primarily in the New York metropolitan area. The company is primarily engaged in the origination and brokerage of conforming residential real estate mortgage loans and reverse mortgage loans. In addition, the Company generates revenue through the sale of traditional and reverse mortgage leads to other mortgage lenders and brokers. The company operates in thirty-two states, with 215 full time and 2,300 part time employees. WAFC does not currently have operations in the State of Michigan.

PROJECT DESCRIPTION:

WAFC is searching for a 30,000 sq. ft. facility to house a regional headquarters operation. This expansion is in response to their significant growth in the reverse mortgage loan market. The regional headquarters will serve three primary purposes: mortgage originator/call center, corporate data center and regional administrative services. The capital investment, in addition to the leased facility costs, is anticipated to be \$835,000 in the first year.

The new operation will employ up to 350 people within five years, with a starting average weekly wage of \$832. The majority of these new jobs will be sales staff.

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**BENEFITS TO STATE:**

According to the economic analysis done by the Michigan Economic Development Corporation utilizing Regional Economic Models, Inc. software, it is estimated that this facility will create a total of 619 jobs in the state by the year 2014. We also estimate that the project would maintain total state government revenues through the year 2014, net of MEGA cost and adjusted for inflation, of \$9,567,000 (2007 dollars) due to the retention of this facility.

**BUT FOR:**

WAFC is also considering Jacksonville, Florida for a regional headquarters operation. The primary advantages associated with the Jacksonville location are employee and facility costs. Deutsche Bank is one of their primary banking partners and has offered free space for a year, with a low lease rate for the next five years, in a vacant facility owned by Deutsche Bank. Labor and benefits costs in Jacksonville are also considerably lower.

**LOCAL ASSISTANCE:**

The City of Troy Downtown Development Authority is considering a grant of \$20,000 in support to the project. The funds will be used to assist the company with the start up of their operations.

Additionally, the Oakland County Michigan Works! Agency/Oakland County Workforce Development Division has committed \$50,000 in Workforce Investment Act Incumbent Worker funds to train employees of WAFC.

**RECOMMENDATION:**

The Michigan Economic Development Corporation recommends a 100 percent standard employment tax credit for eight years, for up to 350 net new employees.

The Agreement provides for cessation and/or repayment of the credit should the company fail to meet a combined lease commitment of eight years.