



STONEHENGE
CAPITAL COMPANY, LLC

September 27, 2017

Chairman John Eklund
Ohio Senate Ways and Means Committee
1 Capitol Square, 1st Floor
Columbus, OH 43215

RE: The Ohio Rural Jobs Act, Sub. S.B. 147

Dear Chairman Eklund,

Stonehenge Capital Company, LLC ("Stonehenge Capital") submits this testimony in support of Substitute Senate Bill 147, the Ohio Rural Jobs Act. Stonehenge Capital, based in Columbus, Ohio, and its family of funds, have invested over \$100 million in operating businesses in Ohio. If the Ohio Rural Jobs Act is enacted, we intend to apply for the opportunity to continue to invest private capital into small businesses located in *rural* Ohio.

Stonehenge Capital has invested over \$1.4 billion in over 200 small businesses in 29 states, resulting in the creation of jobs with higher-than-average wages and the successful growth of countless operating businesses. Through our investment experience, we have seen firsthand a significant issue facing our nation's rural, small businesses: a lack of access to affordable, growth capital that allows small businesses to grow without relocating to urban areas. The Ohio Rural Jobs Act would attract private capital to alleviate the gap in financing that exists in rural areas where low-interest subordinated loans and equity investments are needed most to grow our state's existing small businesses.

Based on USDA's Rural Business Investment ("RBIC") Program and SBA's Small Business Investment ("SBIC") Program, the Ohio Rural Jobs Act would reduce oversight burdens by requiring only those investors who have proven track records as USDA-certified RBIC companies or SBA-certified SBIC companies, to participate in the program and invest in the state's small businesses. In addition to requiring experienced fund managers, the program includes significant job targets and tax revenue goals to ensure that the targeted incentives lead to results in the form of job growth and small business growth.

As highlighted in a recent article in the Wall Street Journal, Kenton, Ohio has witnessed an increase of 45% in poverty since 1980 with a decrease in the median household income of 7%, compared to the median household income in Columbus, which is up 6%. Rural Ohio is suffering from significant decline; it deserves the same breadth of opportunities that the metropolitan areas have been offered for years. Creating access to capital is a critical component of any



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effective rural development policy; the Rural Jobs Act is a step in the right direction to provide jobs and growth to our state's rural areas.

Sincerely,

L'Quentus Thomas