



In which bucket would you invest?

504 ACE LOAN FUND I. (2004), LLC

December 22, 2014

504 ACE Loan Fund I (2004), LLC

1200 Wilshire Boulevard, Suite 404
Los Angeles, CA 90017

Dear Members:

We have liquidated the remaining two loans of the \$10 Million 504 ACE Loan Fund I (2004) portfolio and are providing the final fund distributions for 2014 and closing the fund. With the enclosed distributions, each fund member will have had 100% of its investment recaptured and our fund will have generated an unleveraged "cash on cash" market rate of return of not less than \$2,063,184 with the average **ROA of 5.34%** and **ROE of 5.46%** for this double bottom community development investment.

We have included the 504 ACE Loan Fund I (2004), LLC complied financial statements for 2013; additionally, we are including the internally prepared financial statements for the 10 months ending October 30, 2014. Our 10 year ratio analysis of the 504 ACE Loan Fund I (2004) demonstrates our management expertise and the fund's superior financial performance.

We believe the fund has met and exceeded the double bottom line goals we established in 2004. This success was especially impactful given the significant number of minority led enterprises we assisted and the dire economic conditions under which we have operated since 2009.

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Los Angeles, California 90017
Phone #: 213-362-9111
Fax #: 213-362-9119

504 ACE LOAN FUND I. (2004), LLC

Please be aware that we intend to reach out again to your team and offer a new investment opportunity that will broaden our mutually beneficial relationship with your institution. While past performance is no guarantee of future results, we believe our fund management results were best in class and exceptional for the very few minority-led organizations in which local financial institutions have invested during the last decade.

Sincerely:

A handwritten signature in black ink, appearing to read "Michael Banner". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael Banner
Managing Member

1200 Wilshire Blvd., Suite 404
Los Angeles, California 90017
Phone #: 213-362-9111
Fax #: 213-362-9119

504 ACE LOAN FUND I

TAC CREDIT

SLGG - Vasquez Co PRIMARY SIC / NAICS: MP	Fiscal Unqualified December-31 2005	Fiscal Unqualified December-31 2006	Fiscal Unqualified December-31 2007	Fiscal Unqualified December-31 2008	Fiscal Unqualified December-31 2009	Fiscal Unqualified December-31 2010	Fiscal Qualified December-31 2011	Fiscal Unqualified December-31 2012	Fiscal Unqualified December-31 2013	Fiscal Internal December-31 2014
Months in Period:	12	12	12	12	12	12	12	12	12	12

RATIO ANALYSIS

FINANCIAL INDICATORS [\$]

QUICK ASSETS	9,363,053	7,212,659	6,905,002	2,467,010	2,404,941	1,598,598	1,526,761	1,435,586	514,577	4,919
CURRENT ASSETS	9,410,795	7,258,534	6,946,512	2,477,429	2,414,815	1,605,073	1,532,826	1,441,225	517,310	4,919
CURRENT LIABILITIES	176,328	263,949	603,507	7,937	6,583	3,808	2,205	2,213	594	0
NET WORKING CAPITAL	9,234,467	6,994,585	6,343,005	2,469,492	2,408,232	1,601,265	1,530,621	1,439,012	516,716	4,919
TOTAL UNSUBORDINATED LIABILITIES	176,328	263,949	603,507	7,937	6,583	3,808	2,205	2,213	594	0
TOTAL LIABILITIES	176,328	263,949	603,507	7,937	6,583	3,808	2,205	2,213	594	0
TANGIBLE NET WORTH	9,234,467	6,994,585	6,343,005	2,469,492	2,408,232	1,601,265	1,530,621	1,439,012	516,716	4,919
CAPITAL BASE	9,234,467	6,994,585	6,343,005	2,469,492	2,408,232	1,601,265	1,530,621	1,439,012	516,716	4,919
TOTAL ASSETS	9,410,795	7,258,534	6,946,512	2,477,429	2,414,815	1,605,073	1,532,826	1,441,225	517,310	4,919
NET SALES	474,053	634,383	520,602	341,959	122,154	104,400	75,255	70,088	65,410	18,504
NET INCOME	423,167	589,918	410,420	240,487	85,171	210,533	57,593	54,391	44,504	9,950

PERFORMANCE RATIOS [%]

SALES GROWTH		33.82	-17.94	-34.31	-64.28	-14.53	-27.92	-6.87	-6.67	-71.71
NET INCOME GROWTH		39.41	-30.43	-41.40	-64.58	147.19	-72.64	-5.56	-18.18	-77.64
GROSS PROFIT MARGIN	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
OPERATING PROFIT MARGIN	89.27	92.99	78.84	70.33	69.72	201.66	76.53	77.60	68.04	53.77
NET PROFIT MARGIN	89.27	92.99	78.84	70.33	69.72	201.66	76.53	77.60	68.04	53.77
DIVIDEND PAYOUT	268.38	479.69	258.76	1,710.70	171.92	483.30	222.66	268.43	2,172.39	N/A
RETURN ON AVERAGE ASSETS		7.08	5.78	5.10	3.48	10.47	3.67	3.66	4.54	3.81
RETURN ON AVERAGE EQUITY		7.27	6.15	5.46	3.49	10.50	3.68	3.66	4.55	3.81

UCA CASH FLOW [\$]

NET CASH INCOME		-572,081	432,097	-549,844	33,573	-128,520	19,961	3,617	-84,652	478,516
NET INCOME + NON-CASH ITEMS	423,167	589,918	410,420	240,487	85,171	210,533	57,593	54,391	44,504	9,950

LIQUIDITY [%]

QUICK RATIO	53.10	27.33	11.44	310.82	365.33	419.80	692.41	648.71	866.29	N/A
CURRENT RATIO	53.37	27.50	11.51	312.14	366.83	421.50	695.16	651.25	870.89	N/A
CURRENT ASSETS / TOT UNSUBORD	53.37	27.50	11.51	312.14	366.83	421.50	695.16	651.25	870.89	N/A

TURNOVER RATIOS [DAYS]

ESTIMATED N/R WRITEOFFS		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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LEVERAGE [%]

TOT LIABILITIES / TNW	0.02	0.04	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOT UNSUBORD LIAB / CAPITAL BASE	0.02	0.04	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TUL + CONTINGENT LIAB / CAPITAL BA	0.02	0.04	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00

504 ACE LOAN FUND I

TAC CREDIT

SLGG - Vasquez Co	Fiscal Unqualified December-31 2005	Fiscal Unqualified December-31 2006	Fiscal Unqualified December-31 2007	Fiscal Unqualified December-31 2008	Fiscal Unqualified December-31 2009	Fiscal Unqualified December-31 2010	Fiscal Qualified December-31 2011	Fiscal Unqualified December-31 2012	Fiscal Unqualified December-31 2013	Fiscal Internal December-31 2014
MP	12	12	12	12	12	12	12	12	12	12
Months in Period:										
=====										
BALANCE SHEET [\$]										
=====										
ASSETS										
Cash & Equivalent	894,000	321,919	754,016	204,172	237,744	109,224	129,185	132,802	48,150	4,919
Grs Notes Receivable - Portfolio	8,554,598	6,960,343	6,267,062	2,428,025	2,331,418	1,504,418	1,411,691	1,315,943	471,138	0
Less: Reserve	85,545	69,603	116,076	165,187	164,221	15,044	14,115	13,159	4,711	0
Notes Receivable - Portfolio	8,469,053	6,890,740	6,150,986	2,262,838	2,167,197	1,489,374	1,397,576	1,302,784	466,427	0
Other Recievables - Interest Receivable	47,742	42,700	36,000	10,419	9,874	6,475	6,065	5,639	2,733	0
Other Current Assets	0	3,175	5,510	0	0	0	0	0	0	0

CURRENT ASSETS	9,410,795	7,258,534	6,946,512	2,477,429	2,414,815	1,605,073	1,532,826	1,441,225	517,310	4,919

Net Fixed Assets	0	0	0	0	0	0	0	0	0	0

TOTAL ASSETS	9,410,795	7,258,534	6,946,512	2,477,429	2,414,815	1,605,073	1,532,826	1,441,225	517,310	4,919
=====										
LIABILITIES										
Distributions Payable	0	231,300	522,000	0	0	0	0	0	0	0
Accrued Expenses	900	1,850	0	0	0	0	0	0	594	0
Other Current Liabilities - Due to LALDC	175,428	30,799	0	0	0	0	0	0	0	0
Other Current Liabilities - Due to Related Party	0	0	81,507	5,083	2,171	3,808	2,205	2,213	0	0
Other Current Liabilities - Customer deposit	0	0	0	2,854	4,412	0	0	0	0	0

CURRENT LIABILITIES	176,328	263,949	603,507	7,937	6,583	3,808	2,205	2,213	594	0

TOTAL UNSUBORDINATED LIABILITIES	176,328	263,949	603,507	7,937	6,583	3,808	2,205	2,213	594	0
TOTAL LIABILITIES	176,328	263,949	603,507	7,937	6,583	3,808	2,205	2,213	594	0

NET WORTH										
Retained Earnings	9,234,467	6,994,585	6,343,005	2,469,492	2,408,232	1,601,265	1,530,621	1,439,012	516,716	4,919

TOTAL NET WORTH	9,234,467	6,994,585	6,343,005	2,469,492	2,408,232	1,601,265	1,530,621	1,439,012	516,716	4,919

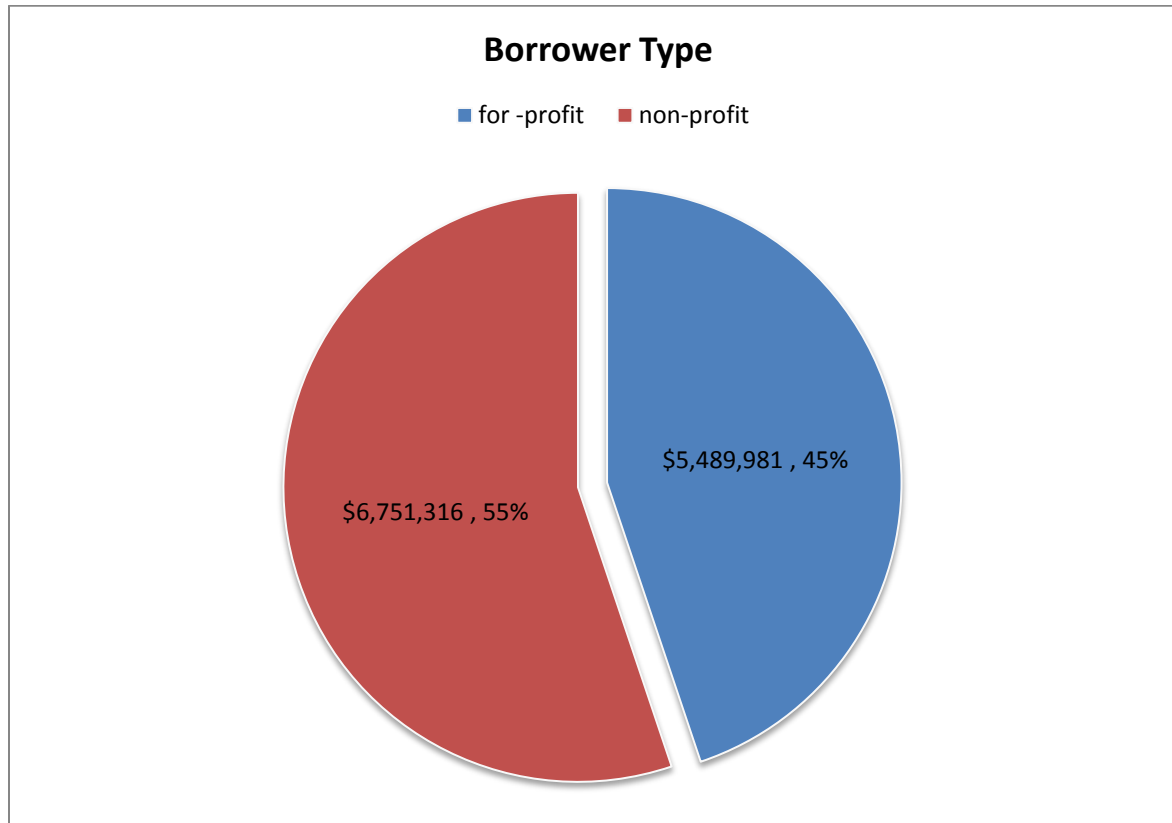
TOTAL LIABILITIES & NET WORTH	9,410,795	7,258,534	6,946,512	2,477,429	2,414,815	1,605,073	1,532,826	1,441,225	517,310	4,919

504 ACE LOAN FUND I

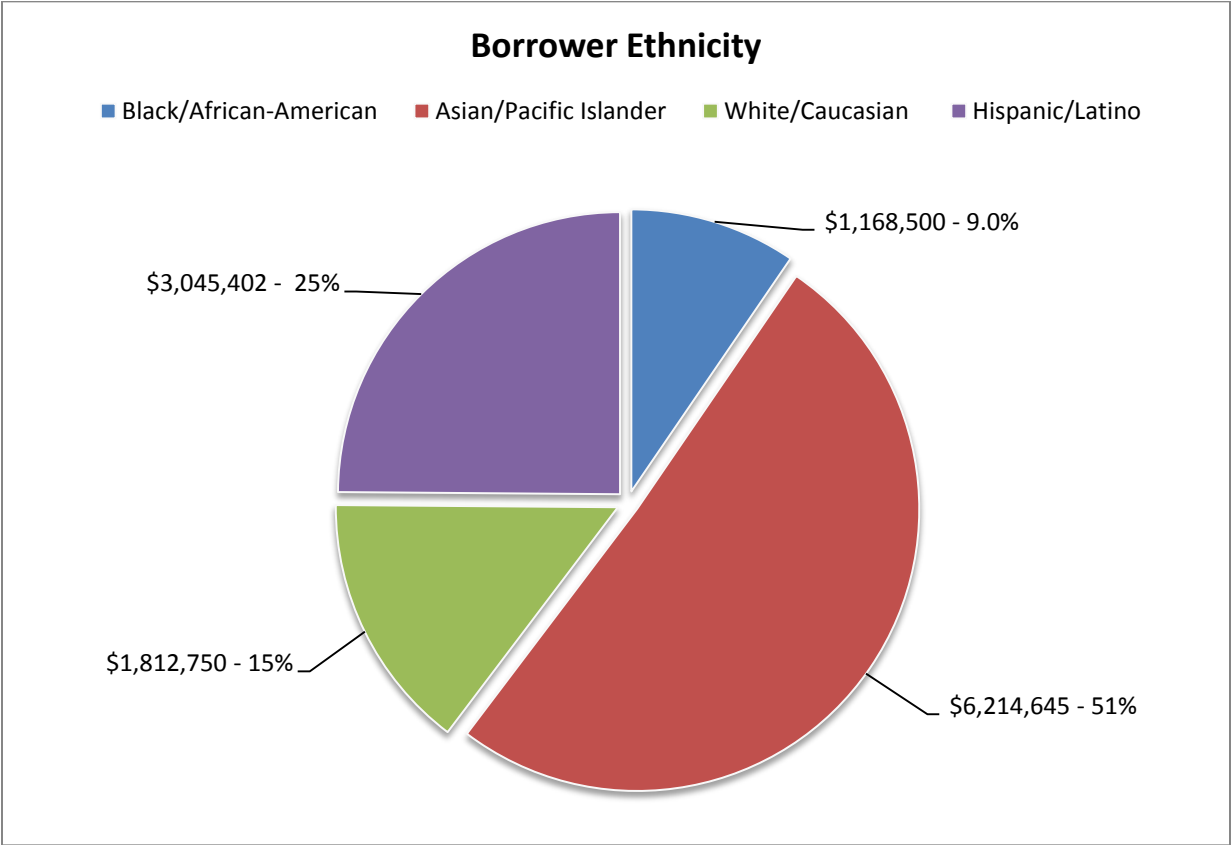
TAC CREDIT

SLGG - Vasquez Co	Fiscal Unqualified December-31 2005	Fiscal Unqualified December-31 2006	Fiscal Unqualified December-31 2007	Fiscal Unqualified December-31 2008	Fiscal Unqualified December-31 2009	Fiscal Unqualified December-31 2010	Fiscal Qualified December-31 2011	Fiscal Unqualified December-31 2012	Fiscal Unqualified December-31 2013	Fiscal Internal December-31 2014
MP	12	12	12	12	12	12	12	12	12	12
Months in Period:										
=====										
INCOME STATEMENT [\$]										
Interest on notes receivable	370,732	614,607	509,060	333,823	121,495	103,825	75,066	70,030	56,912	16,172
Interest income	53,066	17,737	4,438	7,716	659	575	189	58	50	7
Other income	50,255	2,039	7,104	420	0	0	0	0	8,448	2,325
NET SALES	474,053	634,383	520,602	341,959	122,154	104,400	75,255	70,088	65,410	18,504
GROSS PROFIT	474,053	634,383	520,602	341,959	122,154	104,400	75,255	70,088	65,410	18,504
Legal and professional	5,337	5,249	2,450	5,250	0	0	0	0	9,245	0
Management fees	24,572	37,149	33,582	21,236	11,146	8,097	7,271	6,800	6,812	1,074
Bank and escrow fees	3,708	3,089	826	0	0	0	0	3,062	813	435
Professional fees	15,450	12,750	13,929	19,621	21,996	8,310	9,660	5,910	3,050	2,666
Taxes	1,700	2,061	3,600	3,300	2,600	563	800	800	800	1,050
Bad Debt Provision / Expense	0	-15,942	46,473	49,111	0	-124,037	-927	-958	0	-4,711
Other SG&A - Accounting Fees	0	0	0	0	0	0	0	0	0	500
All Other SG&A Expense - Miscellaneous	119	109	9,322	2,954	1,241	934	858	83	186	7,540
OPERATING INCOME	423,167	589,918	410,420	240,487	85,171	210,533	57,593	54,391	44,504	9,950
PRE-TAX INCOME - CONTINUING OPS	423,167	589,918	410,420	240,487	85,171	210,533	57,593	54,391	44,504	9,950
Current Taxes / -Credit	0	0	0	0	0	0	0	0	0	0
INCOME FROM CONTINUING OPERATIONS	423,167	589,918	410,420	240,487	85,171	210,533	57,593	54,391	44,504	9,950
NET INCOME	423,167	589,918	410,420	240,487	85,171	210,533	57,593	54,391	44,504	9,950
Dividends - Capital distribution	862,700	2,142,800	670,000	3,815,000	86,430	800,500	82,737	80,000	966,800	0
Dividends - Common - Income distribution	273,000	687,000	392,000	299,000	60,000	217,000	45,500	66,000	0	0
Adjustment to Retained Earnings +/-	0	0	0	0	-1	0	0	0	0	0
Profit to Retained Earnings	-712,533	-2,239,882	-651,580	-3,873,513	-61,260	-806,967	-70,644	-91,609	-922,296	9,950
Beginning Retained Earnings		9,234,467	6,994,585	6,343,005	2,469,492	2,408,232	1,601,265	1,530,621	1,439,012	516,716
Calculated Ending Retained Earnings		6,994,585	6,343,005	2,469,492	2,408,232	1,601,265	1,530,621	1,439,012	516,716	526,666
Actual Ending Retained Earnings	9,234,467	6,994,585	6,343,005	2,469,492	2,408,232	1,601,265	1,530,621	1,439,012	516,716	4,919
Amount Needed to Prove R/E										-521,747
MEMO: Total Operating Expenses	50,886	44,465	110,182	101,472	36,983	-106,133	17,662	15,697	20,906	8,554
EBIT	423,167	589,918	410,420	240,487	85,171	210,533	57,593	54,391	44,504	9,950
EBITDA	423,167	589,918	410,420	240,487	85,171	210,533	57,593	54,391	44,504	9,950

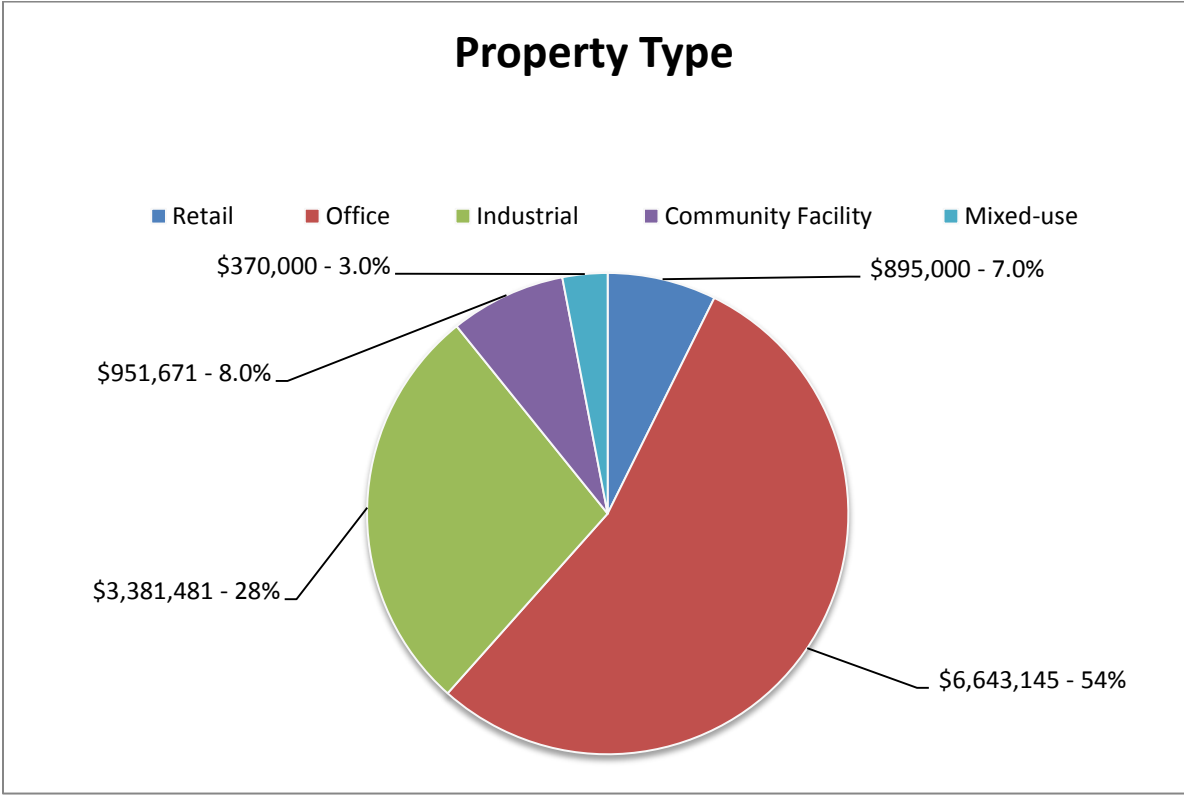
504 ACE LOAN FUND I (2004) IMPACT ANALYSIS



504 ACE LOAN FUND I (2004) IMPACT ANALYSIS



504 ACE LOAN FUND I (2004) IMPACT ANALYSIS



504 ACE LOAN FUND I (2004) COMPARATIVE RETURN ANALYSIS

