Correspondence: Boyer, Barry C. Executive
Vice President of the Wyoming National Bank of
Wilkes Barre, 1972 Decembe

Floot

WNB FOUNDED 1829

THE WYOMING NATIONAL BANK OF WILKES-BARRE

WILKES-BARRE, PENNSYLVANIA 18701

BARRY C. BOYER
Executive Vice President

AREA CODE 717
823 0131

December 6, 1972

Mr. George Darby, Loan Officer
Small Business Administration
SouthMain Towers
116 South Main Street
Wilkes-Barre, Pa. 18702

Dear Mr. Darby:

Re: Simon's Fabricland
Midway Shopping Center, Wyoming, Pa.
Gateway Shopping Center, Edwardsville, Pa.

Reference is made to our meeting of Friday, December 1, 1972, at which time we discussed your letter of November 17, 1972, declining the application of the subject company.

As a matter of review, we should like to advise that the subject's original application had been reduced from $236,243.00 to $133,610.00 as of October 20, 1972. On November 14, 1972, I wrote to Mr. Allan Slaman of your office further reducing this application to $116,000.00. This amount was declined in your letter of November 17, referred to above.

During the course of our conversation on Friday, I pointed out to you that Mr. Simon did lose inventory at three locations in excess of $120,000.00 as a result of the flood. However, you stated that you did not feel that sufficient cash flow was available to retire the various debts, including the proposed S. B. A. loan, based on prior years cash flow.

As a result of this meeting, we have met with the accountant for the subject company who has provided us with a cash flow sheet for the fiscal year end December 31, 1971. We are enclosing said chart for your files. Please note that this chart covers three separate locations which were being operated by Mr. Simon prior to the flood in June, 1972. We advised you in prior correspondence that the Wilkes-Barre location would be eliminated and that Mr. Simon would now be operating at two locations; namely, the Gateway Shopping Center and the Midway Shopping Center. The cash flow chart reflects a loss for the Wilkes-Barre operation and profits for the other two operations.

Mr. George Darby, Loan Officer
Small Business Administration
116 South Main Street
Wilkes-Barre, Pa. 18702

Re: Simon's Fabricland

Eliminating theWilkes-Barre operation completely, would result in a cash flow on an annual basis of approximately $17,000.00 based on the 12-31-71 figures.

In order for our customer, Mr. Simon, to operate at two locations, he would need a minimum of $70,000.00 for inventory. Based on these figures, we now wish to amend the prior application to your office reducing same to $70,000.00.

Mr. Simon still has available to him a loan from the Wyoming Valley Jewish Committee of $17,500.00, which would be used to settle all of his outstanding accounts payable. He has various obligations with our Bank totaling approximately $55,000.00 on which payments had been made as agreed, prior to the flood. As partial collateral for our loans, we do hold securities having a value of approximately $23,000.00. We propose to liquidate these securities,applying the proceeds to our debt, thereby reducing same to $32,000.00.

After the above has been accomplished, the subject company would have the following indebtedness:

A)	$32,000.00	- The Wyoming National Bank of Wilkes-Barre
B)	$25,000.00	- Wyoming Valley Jewish Committee
C)	$70,000.00	- Small Business Administration
	127,000.00	Total Indebtedness

The amortization in connection with said loans would be as follows:

A)	379.90	per month including interest @ 7 ½ % for ten year term
B)	483.40	per month including interest @ 6 % for a five year term
C)	225.40	per month including interest @ 1 % for a thirty year term
	$ 1,088.70	Total monthly amortization
	$13,064.40	Total yearly amortization

Our Bank has a financing statement filed of record as of September, 1971, covering all of the inventory located at the Midway Shopping Center. We would agree to subordinate our lien position to that of the S. B. A., who in turn, would have a first security interest in all of the inventory of the debtor at two locations.

Mr. George Darby, Loan Officer
Small Business Administration
116 South Main Street
Wilkes-Barre, Pa. 18702

Re: Simon's Fabricland

As indicated during our meeting, I felt it was imperative for Mr. Simon to receive some consideration from the S. B. A. This would have enabled him to purchase merchandise for the Christmas season. During this period of time, he could have generated profits which have now been lost.

Based on the above figures, it would appear to us that the applicant does have sufficient cash flow to amortize the debts as outlined.

I personally feel that this application has been reduced to the bear minimum required to operate and trust that after you have had a chance to review same, you will act favorably on this request.

Please be kind enough to contact the undersigned when your decision has been reached.

I am,

Sincerely,

Barry C. Boyer

Barry C.Boyer
Executive Vice President

BCB/mb
Encls.
Copies - Hon. Max Rosenn
Mr. Wm. Simon
Atty. Eugene Roth
Naveen & Naveen
Atty. David E. Koff

NAVEEN & NAVEEN
CERTIFIED PUBLIC ACCOUNTANT
BLUE CROSS BUILDING
WILKES-BARRE, PENNA.

C[illegible]H FLOW

WILLIAM SIMON T[illegible] SIMON'S FABRICLAND

For the Year E[illegible]ed December 31, 1971

	TOTAL FOR YEAR 1971		WILKES-BARRE		GATEWAY SHOPPING CENTER		MIDWAY SHOPPING CENTER	
INCOME								
Receipts		$301,676.64		$ 74,569.06		$116,945.91		$110,161.67
COST OF RECEIPTS								
Inventory - January 1, 1971	$108,996.93		$ 38,740.83		$ 30,347.36		$ 39,908.74	
Purchases	233,157.64		56,444.76		92,707.87		84,005.01	
Freight	2,069.53		511.59		802.36		755.58	
TOTAL	$344,224.10		$ 95,697.18		$123,857.59		$124,669.33	
Less: Inventory - December 31, 1971	129,864.27		42,000.00		40,533.63		47,330.64	
COST OF RECEIPTS		214,359.83		53,697.18		83,323.96		77,338.69
GROSS PROFIT		$ 87,316.81		$ 20,871.88		$ 33,621.95		$ 32,822.98
EXPENSES								
Advertising	$ 1,131.96		$ 326.21		$ 438.86		$ 366.89	
Bank Charges	412.11		101.87		159.78		150.46	
Dues to Shopping Centers	280.00		-0-		120.00		160.00	
Garbage and Cleaning	594.00		94.00		204.00		96.00	
Gas and Heat	676.82		-0-		410.90		465.92	
Insurance	3,210.70		793.69		1,244.79		1,172.22	
Interest	3,316.90		819.94		1,285.96		1,211.00	
Light	3,306.69		925.25		1,109.64		1,271.80	
Postage and Parcel Post	330.15		81.61		128.00		120.54	
Professional Fees	250.00		60.00		95.00		95.00	
Repairs and Maintenance	866.88		64.25		735.25		67.38	
Rent	12,600.00		3,600.00		4,800.00		4,200.00	
Salaries	35,759.13		12,069.52		10,463.56		13,226.05	
Taxes on Salaries	2,237.37		744.13		675.23		818.01	
Store Expenses	1,027.48		253.99		398.35		375.14	
Supplies	2,790.66		689.85		1,081.94		1,018.87	
Telephone	1,389.61		538.69		328.14		522.78	
Travel and Buying	1,911.50		450.00		750.00		711.50	
Water	56.84		-0-		29.16		27.68	
TOTAL EXPENSES		72,148.80		21,613.00		24,458.56		26,077.24
NET OPERATING PROFIT BEFORE DEPRECIATION		$ 15,168.01		$(741.12)		$ 9,163.39		$ 6,745.74
OTHER DEDUCTIONS								
Depreciation		1,744.37		731.87		627.50		385.00
NET PROFIT FOR YEAR		$ 13,423.64		$(1,472.99)		$ 8,535.89		$ 6,360.74