

5. On or about March 6, 2003, Hispania was licensed by SBA as a Small Business Investment Company (“SBIC”) pursuant to Section 301(c) of the Act, 15 U.S.C. §681(c) as SBA License 05/75-0270, solely to do business under the provisions of the Act and the Regulations.

6. In its Licensing Application, at Section 8(a), Hispania certified through its general partner that the Licensee would at all times be operated in full conformity with the Act and the regulations promulgated thereunder at 13 C.F.R. §107.1 et. seq (“the Regulations”).

7. Section 308(c) of the Act, 15 U.S.C. §687(c), empowers SBA to prescribe regulations to carry out the provisions of the Act and to govern the operations of SBICs. SBA has duly promulgated such regulations, which are codified at Title 13 of the Code of Federal Regulations, Part 107 (the “Regulations”).

8. Section 303 of the Act, 15 U.S.C. §683, authorizes SBA to provide financing to licensed SBICs. Pursuant to Section 303 of the Act, 15 U.S.C. §683, SBA provided funds to Hispania through the purchase and/or guaranty of Participating Securities, a form of Leverage, as those terms are defined under the Regulations.

9. Currently, there remains \$29,312,806.00 outstanding in Participating Securities Leverage.

10. The Participating Securities described in paragraphs 8-9, above, are expressly subject to and incorporated by reference in the Regulations, including but not limited to the provision of 13 C.F.R. §§107.1820-1850 and §107.507.

11. Section 308(d) of the Act, 15 U.S.C. §687(d), provides that upon determination and adjudication of noncompliance or violation of the Act or the Regulations, all of the rights, privileges and franchises of a Licensee, such as Hispania, may be forfeited and the company may be declared dissolved.

12. Section 311 of the Act, 15 U.S.C. §687c, provides that upon a determination by SBA that if a Licensee, such as Hispania, has engaged in or is about to engage in any acts or practices which constitute or will constitute a violation of the Act or of any Rule or Regulation promulgated pursuant to the Act, or of any order issued under the Act, then SBA may make application for an injunction, and such Court shall have jurisdiction of such action and grant a permanent or temporary injunction, or other relief without bond, upon a showing that such Licensee has engaged in or is about to engage in any such acts or practices. The Court is authorized to appoint SBA to act as receiver for such Licensee.

COUNT ONE

CAPITAL IMPAIRMENT

13. Paragraphs 1 through 12 are incorporated herein by reference.

14. Among other requirements, the Regulations at 13 C.F.R. §107.1830(a) governing Participating Securities Leverage require that an SBIC such as Hispania maintain a Capital Impairment Ratio, as that term is defined in the Regulations, of no greater than 70%.

15. As of December 31, 2011, SBA determined that Hispania had a condition of Capital Impairment Ratio above that allowable under Section 107.1830 of the Regulations.

16. By letter dated March 14, 2012, SBA notified Hispania that its condition of capital impairment had to be cured within fifteen (15) days of the date of the letter or SBA would place Hispania into Restricted Operations pursuant to 13 C.F.R. §107.1820 (e)(10), and would impose Restricted Operation Remedies pursuant to 13 C.F.R. § 107.1820(f).

17. Hispania failed to cure its condition of capital impairment within the prescribed time. Consequently, on or about March 30, 2012, SBA placed Hispania into Restricted Operations and imposed Restricted Operation Remedies pursuant to 13 C.F.R. § 107.1820(f).

18. Subsequently, SBA transferred Hispania to liquidation status on or about April 20, 2012.

19. Via letter dated May 3, 2012, SBA notified Hispania of its transfer to liquidation status.

20. To date, Hispania continues to have a condition of capital impairment in excess of that allowed under the Regulations.

21. Hispania's failure to cure its condition of capital impairment is a violation of §§107.1820-107.1830 of the Regulations, which violations have not been cured to date.

22. As a consequence of Hispania's continuing violation of 13 C.F.R. §§ 107.1820-107.1830 of the Regulations, SBA is entitled to the injunctive relief provided under the Act, 15 U.S.C. §687(d).

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays as follows:

A. That this Court enter the Consent Order filed simultaneously herewith and grant injunctive relief, both preliminary and permanent in nature, restraining and enjoining Hispania, its past or present general partner(s), managers, management company, directors, officers, agents, employees, and other persons acting in concert or participation therewith from: (1) making any disbursements of Hispania's funds; (2) using, investing, conveying, disposing, executing or encumbering in any fashion any funds or assets of Hispania, wherever located; and (3) further violating the Act or the Regulations promulgated thereunder.

B. That this Court determine and adjudicate Hispania's noncompliance with and violation of the Act and the Regulations promulgated thereunder.

C. That this Court, pursuant to 15 U.S.C. §687c, take exclusive jurisdiction of Hispania and all of its assets, wherever located, appoint SBA as receiver of Hispania for the purpose of marshaling and liquidating the assets of Hispania and satisfying the claims of creditors as approved by this Court, and such other relief as contained in the Consent Order filed herewith.

D. That this Court grant such other relief as may be deemed just and proper.

Respectfully submitted,

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