

NEW YORK STATE  
DEPARTMENT OF ECONOMIC DEVELOPMENT  
633 THIRD AVENUE  
NEW YORK, NY 10017

In the Matter

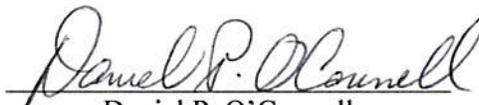
- of -

the Application of **Material Maven, LLC, d/b/a Schmidt's Rentals**  
for Certification as a Woman-owned Business Enterprise  
Pursuant to Executive Law Article 15-A.

NYS DED File ID No. 60316

RECOMMENDED ORDER

- by -



Daniel P. O'Connell  
Administrative Law Judge

August 15, 2017

## **SUMMARY**

This report recommends that the determination of the Division of Minority and Women's Business Development (Division) of the New York State Department of Economic Development to deny Material Maven, LLC, doing business as Schmidt's Rentals (MM/SR or applicant) certification as a woman-owned business enterprise (WBE) be modified and, as so modified, affirmed for the reasons set forth below.

## **PROCEEDINGS**

In its denial letter dated November 17, 2016 (*see* WBE Exh. 2), the Division determined that MM/SR does not meet the eligibility requirements to be certified as a woman-owned business enterprise, and denied MM/SR's application (*see* WBE Exh. 1). The Division determined that MM/SR did not demonstrate that the woman owner's capital contribution is proportionate to her equity interest in the business enterprise, as required by Title 5 of the Official Compilation of Codes, Rules and Regulations of the State of New York (5 NYCRR) § 144.2(a)(1). In addition, the Division determined that MM/SR is not an independent business enterprise, as required by 5 NYCRR 144.2(a)(2) and 144.2(c)(2). This matter considers the December 15, 2016 appeal by MM/SR, pursuant to New York State Executive Law Article 15-A and 5 NYCRR parts 140-144. The appeal challenges the Division's November 17, 2016 determination.

In MM/SR's appeal dated December 15, 2016, Lisa Schmidt, as the owner of the business enterprise, requested a hearing. By letter dated March 2, 2017, the Division scheduled the hearing for May 16, 2016 at 11:00 a.m. at the Division's offices at 625 Broadway, Eighth Floor, Albany, New York 12207.

The hearing convened as scheduled. At the hearing, MM/SR was represented by David P. Berson, Esq. (Monticello, New York). Lisa and Christopher Schmidt testified on behalf of MM/SR. Phillip Harmonick, Esq., Assistant Counsel, New York State Department of Economic Development, represented the Division. Iliana Farias, a Senior Certification Analyst, testified on behalf of the Division.

The hearing was recorded. On June 9, 2017, the Office of Hearings and Mediation Services (OHMS) of the New York State Department of Environmental Conservation received copies of the audio compact disks (CD1 and CD2), whereupon, the record of the hearing closed. In addition to the testimony of the witnesses identified above, the parties offered a total of 23 exhibits (WBE Exh. 1-23). All exhibits offered at the hearing were received into evidence (CD2 46:20; 47:24). An exhibit chart is attached to this recommended order.

## **ELIGIBILITY CRITERIA**

The eligibility criteria pertaining to certification as a woman-owned business enterprise are established by regulation (*see* 5 NYCRR 144.2). To determine whether an applicant should

be granted WBE status, the Division assesses the ownership, operation, and control of the business enterprise on the basis of information supplied through the application process. The Division reviews the enterprise as it existed at the time that the application was made, based on representations in the application, information presented in supplemental submissions and, if appropriate, interviews conducted by Division analysts.

### **STANDARD OF REVIEW**

On this administrative appeal, MM/SR, as applicant, bears the burden of proving that the Division's denial of its WBE certification is not supported by substantial evidence (*see* State Administrative Procedure Act § 306[1]). The substantial evidence standard "demands only that a given inference is reasonable and plausible, not necessarily the most probable," and applicant must demonstrate that the Division's conclusions and factual determinations are not supported by "such relevant proof as a reasonable mind may accept as adequate" (*Matter of Ridge Rd. Fire Dist. v Schiano*, 16 NY3d 494, 499 [2011] [internal quotation marks and citations omitted]).

### **POSITIONS OF THE PARTIES**

#### The Division

According to the Division, Ms. Schmidt, the woman owner of MM/SR, did not demonstrate that her capital contribution is proportionate to her equity interest in the business enterprise, as required by 5 NYCRR 144.2(a)(1). Based on staff's review of the application materials, the Division concluded that the capital contributions made to MM/SR consisted of cash from a checking account jointly owned by Lisa Schmidt and her husband, Christopher.

The Division concluded further that MM/SR is not an independent business enterprise, as required by 5 NYCRR 144.2(a)(2) and 144.2(c)(2). To support this conclusion, the Division claimed that MM/SR does business from the same location as Schmidt's Wholesale, a business enterprise owned by Christopher Schmidt. In addition, the Division asserted that MM/SR's only employee, Robert Bonnell, is also the warehouse manager of Schmidt's Wholesale. Finally, the Division contended that MM/SR purchased the tools and equipment that it rents to its customers from Schmidt's Wholesale.

#### Material Maven, LLC

On MM/SR's December 15, 2016 appeal, Ms. Schmidt stated that in addition to the initial capital contributions made from the jointly owned checking account, Ms. Schmidt subsequently borrowed [REDACTED] from her mother to purchase additional shares. Ms. Schmidt noted further that she is the only person identified on loan documents from Sterling National Bank.

With respect to independence, Ms. Schmidt asserted that MM/SR and Schmidt's Wholesale do not operate from the same location. Ms. Schmidt noted that Mr. Bonnell was employed by Schmidt's Wholesale from April 5, 2010 to April 24, 2015. However, on April 24, 2014, Mr. Bonnell resigned from Schmidt's Wholesale and, on April 27, 2015, he became the

rental manager at MM/SR. Although MM/SR purchases tools and equipment from Schmidt's Wholesale, Schmidt's Wholesale is not MM/SR's sole vendor.

On behalf of MM/SR, Mr. Berson reiterated these points in his opening statement at the administrative hearing (CD1 03:35-06:02).

## **FINDINGS OF FACT**

### **I. General**

1. Material Maven is a limited liability company that filed articles of organization with the New York State Secretary of State on October 22, 2014. The members, Lisa Schmidt and her husband, Christopher Schmidt, executed an operating agreement on January 29, 2015. Pursuant to the terms of the January 29, 2015 operating agreement, Ms. Schmidt's ownership interest was 51%, and Mr. Schmidt's ownership interest was 49%. (*See* WBE Exh. 11; CD1 09:53, 10:46; CD2 03:22.) Subsequently, the members executed a membership interest purchase agreement on March 23, 2016. As a result, Ms. Schmidt's ownership interest became 80%, and Mr. Schmidt's ownership interest became 20% (*see* WBE Exh. 3).
2. Material Maven does business under the name of Schmidt's Rentals (MM/SR). MM/SR rents large equipment and tools to contractors and home owners. (*See* WBE Exh. 1; CD1 17:55.)
3. Christopher Schmidt is the current president of Schmidt's Wholesale and owns 70% of its shares (CD2 01:10).
4. Schmidt's Wholesale sells plumbing, heating, electrical, and HVAC supplies to contractors. In addition, Schmidt's Wholesale provides materials for residential, light commercial, and industrial projects. Schmidt's Wholesale also has a water works division that sells water meters to municipalities for residential installation. (*See* WBE Exh. 1; CD2 02:00-02:36.)
5. On behalf of MM/SR, Ms. Schmidt filed an application for WBE certification with the Division on June 16, 2016 (*see* WBE Exh. 1).
6. By letter dated November 17, 2016, the Division denied MM/SR's application for certification as a woman-owned business enterprise (*see* WBE Exh. 2).

### **II. Ownership**

7. In October 2014, the Schmidts made a total capital contribution of ██████████ to MM/SR. Lisa Schmidt's contribution was ██████████ and Christopher Schmidt's contribution was ██████████. The source of these initial capital contributions was a checking account jointly owned by Lisa and Christopher Schmidt. (*See* WBE Exh. 1, 4; CD1 11:50, 19:45; CD2 03:42, 04:30, 13:36.)

### III. Independence

8. MM/SR operates from a building located at 146 Jefferson Street, Monticello, New York 12701 (*see* WBE Exh. 1; CD2 16:35).
9. Schmidt's Wholesale operates from a building located at 150 Jefferson Street, Monticello, New York 12701 (*see* WBE Exh. 1; CD2 16:35).
10. Since January 1, 2016, MM/SR rents the building located at 146 Jefferson Street from Christopher and Gary Schmidt. As noted above, Christopher Schmidt is Lisa Schmidt's husband and Gary Schmidt is Christopher's father. Pursuant to the terms of a lease dated December 21, 2015, the monthly rent was set at [REDACTED]. However, by agreement between the landlords and the tenant, the monthly rent for 146 Jefferson Street was reduced from \$1,500 to \$1,000, effective March 2016. The original lease was not revised to reflect the reduction in rent. (*See* WBE Exh. 1, 4, 6; CD1 26:18-29:03, 33:26; CD2 00:45.)
11. For the seven-month period from January 2016 to August 2016, MM/SR paid [REDACTED] in rent (*see* WBE Exh. 4 and 16B; CD1 30:00, 33:04, 57:25). Based on the initial terms of the lease, and the subsequent agreement effective March 2016, MM/SR paid the full amount of rent required for this period.
12. MM/SR employs two people on a full-time basis. They are Lisa Schmidt and Robert Bonnell. Mr. Bonnell has worked at MM/SR since May 2015. He is the store manager at MM/SR, and is responsible for financial decisions, purchasing equipment, and sales. (*See* WBE Exh. 1, 4, 8; CD1 34:00.)
13. MM/SR purchases tools and equipment from Schmidt's Wholesale. In addition, MM/SR is a Husqvarna dealer. Husqvarna manufactures chain saws, lawnmowers, and backpack blowers. (*See* WBE Exh. 1 and 4; CD1 40:12.)

### **DISCUSSION**

This recommended order considers MM/SR's December 15, 2016 appeal from the Division's determination to deny certification of MM/SR as a woman-owned business enterprise pursuant to Executive Law Article 15-A. The discussion that follows addresses the bases for the Division's denial.

The standards for determining whether an applicant is eligible to be certified as a woman-owned business enterprise are outlined at 5 NYCRR 144.2. According to the Division's November 17, 2016 denial letter (*see* WBE Exh. 2), MM/SR did not demonstrate that Lisa Schmidt's capital contribution was proportionate to her equity interest in the business enterprise, as required by 5 NYCRR 144.2(a)(1). In addition, the Division claimed that MM/SR is not an independent business enterprise, as required by 5 NYCRR 144.2(a)(2) and 144.2(c)(2).

## I. Capital Contributions

One issue in this proceeding is whether MM/SR conforms with the requirement at 5 NYCRR 144.2(a)(1), which states, in full, that:

[t]he contribution of the minority group member(s) or woman owner must be proportionate to their equity interest in the business enterprise, as demonstrated by, but not limited to, contributions of money, property, equipment or expertise.

Pursuant to the regulation, the woman owner's contribution need not be limited to capital contributions. However, the application materials and the hearing record concerning the captioned matter did not include any alternative information, consistent with 5 NYCRR 144.2(a)(1), about Ms. Schmidt's contributions to the business enterprise.

In October 2014, the Schmidts made a total capital contribution of [REDACTED] to MM/SR. Lisa Schmidt's contribution was [REDACTED] and Christopher Schmidt's contribution was [REDACTED]. The source of these initial capital contributions was a checking account jointly owned by Lisa and Christopher Schmidt. (*See* WBE Exh. 1, 4; CD1 11:50, 19:45; CD2 03:42, 04:30, 13:36.)

According to the Division, the initial capital contributions were jointly made and were essentially equal in value (CD2 48:33). The difference between the two contributions is [REDACTED]. Applicant argued, however, that the contributions are not equal, and reflect the equity distribution of the shares between the members of MM/SR. Applicant objected to the Division's determination that marital assets could not be sources of capital contributions (CD2 53:42).

When evaluating whether the woman owner has made a capital contribution proportionate to her ownership interest in the business enterprise, the Division has looked to whether the contribution came from funds personally held by the woman owner. The Division considers capital contributions of marital assets to be contributions by both husband and wife to the business enterprise and not a contribution solely by the woman owner.<sup>1</sup>

In addition to the initial capital contribution to MM/SR, Ms. Schmidt testified during the hearing that on March 23, 2016, she and Christopher Schmidt, as the members of MM/SR, executed a membership interest purchase agreement. With this agreement, Christopher Schmidt

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<sup>1</sup> See e.g., Matter of Blackstone Advanced Technologies ([https://esd.ny.gov/sites/default/files/070517\\_BlackstoneAdvancedTechnologies\\_RecommendedOrder.pdf](https://esd.ny.gov/sites/default/files/070517_BlackstoneAdvancedTechnologies_RecommendedOrder.pdf)); Matter of National Recovery Solutions ([https://esd.ny.gov/sites/default/files/052517\\_NationalRecoverySolutions\\_RO.pdf](https://esd.ny.gov/sites/default/files/052517_NationalRecoverySolutions_RO.pdf)); Matter of OTONE Mechanical Construction ([https://cdn.esd.ny.gov/mwbe/Data/Hearings/05022017\\_OTONEMechanicalConstruction\\_RecommendedOrder.pdf](https://cdn.esd.ny.gov/mwbe/Data/Hearings/05022017_OTONEMechanicalConstruction_RecommendedOrder.pdf)); Matter of Fiddlehead Creek ([https://cdn.esd.ny.gov/mwbe/Data/Hearings/04112017\\_FiddleheadCreek\\_RecommendedOrder.pdf](https://cdn.esd.ny.gov/mwbe/Data/Hearings/04112017_FiddleheadCreek_RecommendedOrder.pdf)); Matter of Caster, Wheels, Industrial Handling ([https://cdn.esd.ny.gov/mwbe/Data/Hearings/03132017\\_CastersWheels\\_IndustrialHandling\\_RecommendedOrder.pdf](https://cdn.esd.ny.gov/mwbe/Data/Hearings/03132017_CastersWheels_IndustrialHandling_RecommendedOrder.pdf)). For the Final Orders associated with these matters, contact the New York State Department of Economic Development, Division of Minority and Woman's Business Development, 625 Broadway, Albany, New York 12245.

sold 29 shares of MM/SR to Lisa Schmidt, who agreed to purchase these shares for a total of [REDACTED]. As a result of this agreement, Ms. Schmidt's ownership interest in MM/SR became 80%, and Mr. Schmidt's ownership interest became 20%. (*See* WBE Exh. 3; CD1 14:42, 15:30.)

Ms. Schmidt retained the services of Philip Mehl, applicant's certified public accountant, to determine the value of the business enterprise (*see* WBE Exh. 1; CD1 15:00, 53:32). To finance the purchase of these additional 29 shares, Ms. Schmidt obtained a gift of [REDACTED] from her mother, Ellen Miele (*see* WBE Exh. 3; CD1 17:25-17:43).

Contrary to applicant's argument (CD2 55:56), Ms. Schmidt's purchase of these shares from Christopher Schmidt is not an additional capital contribution to the business enterprise for the following reasons. First, this hearing record includes no evidence that the compensation, which Mr. Schmidt received for these shares, was returned to the business enterprise. As a result, the beneficiary of the sale was Mr. Schmidt, individually, and not MM/SR. Consequently, by purchasing 29 additional shares of MM/SR from Christopher Schmidt, Lisa Schmidt did not make an additional capital contribution to the business enterprise.

Second, although the resulting purchase increased Ms. Schmidt's ownership interest in MM/SR from 51% to 80%, Ms. Schmidt had been the majority shareholder (51%) since January 2015. Consequently, Ms. Schmidt has controlled MM/SR as the manager, pursuant to the terms of the operating agreement since the business enterprise was formed (*see* WBE Exh. 11 at 3). However, Ms. Schmidt's ownership of MM/SR, and her authority over operations of the business enterprise, are not at issue in this appeal (CD2 49:13).

Based on the foregoing, I conclude that substantial evidence supports the Division's determination that MM/SR did not demonstrate that the woman owner made a capital contribution proportionate to her equity interest in the business enterprise. This conclusion is consistent with prior administrative determinations.

## II. Independence

An applicant seeking WBE certification must demonstrate that it is an independent business enterprise, as required by 5 NYCRR 144.2(a)(2) and 144.2(c)(2). The Division claimed that MM/SR does not comply with these eligibility criteria based on the following: (1) MM/SR does business from the same location as Schmidt's Wholesale; (2) Robert Bonnell is employed by both MM/SR and Schmidt's Wholesale; and (3) MM/SR purchases the tools and equipment that it rents to its customers from Schmidt's Wholesale. (*See* WBE Exh. 2.)

At the hearing, MM/SR identified information filed with its application for WBE certification that refutes each of the contentions that the Division relied upon to conclude that MM/SR is not an independent business enterprise. The Division's contentions are addressed below.

According to the November 17, 2016 denial letter, MM/SR does business from the same location as Schmidt's Wholesale (*see* WBE Exh. 2; CD2 16:18). However, MM/SR operates from a building located at 146 Jefferson Street, Monticello, New York 12701 (*see* WBE Exh. 1;

CD2 16:35), and Schmidt's Wholesale operates from a different building located at 150 Jefferson Street, Monticello, New York 12701 (*see* WBE Exh. 1; CD2 16:35). The two buildings, although adjacent to each other, are separate. Given the different street numbers, Division staff did not offer any reasoned explanation for the statement that MM/SR operates from the same location as Schmidt's Wholesale.

Furthermore, the properties for the two businesses are distinguished in the lease (*see* WBE Exh. 6). According to the terms of the lease, MM/SR agreed to pay Gary and Christopher Schmidt, as the owners and landlords of the building located at 146 Jefferson Street, [REDACTED] per month beginning January 1, 2016 (*see* WBE Exh. 6). In a response to a document request from the Division, Ms. Schmidt explained that starting March 2016, the landlords agreed to reduce the rent to [REDACTED] per month, without making a formal revision to the terms of the lease. To substantiate the change in the monthly rent payment, Ms. Schmidt provided copies of six cancelled checks as part of the document request made by the Division. Ms. Schmidt's response states that she could not provide a copy of the seventh check because the bank had not yet posted the cancelled check. (*See* WBE Exh. 1, 4, 6; CD1 26:18-29:03, 33:26; CD2 00:45.)

For the seven-month period from January 2016 to August 2016, MM/SR paid a total of [REDACTED] in rent to the landlords, Gary and Christopher Schmidt (*see* WBE Exh. 4 and 16B; CD1 30:00, 33:04, 57:25).<sup>2</sup> Based on the initial terms of the lease, and the subsequent agreement to reduce the rent effective March 2016, MM/SR paid the full amount of rent required for this period. Contrary to Division staff's determination, I conclude that MM/SR's rental payments demonstrate its independence from Schmidt's Wholesale particularly because Gary and Christopher Schmidt, rather than Schmidt's Wholesale, are the landlords and owners of the building located at 146 Jefferson Street (CD1 27:57).

According to the Division's November 17, 2016 denial letter, Robert Bonnell is MM/SR's only employee, who also works as the warehouse manager for Schmidt's Wholesale (*see* WBE Exh. 2). However, Ms. Schmidt stated, in MM/SR's December 15, 2016 appeal papers, that Mr. Bonnell was employed by Schmidt's Wholesale from April 5, 2010 to April 24, 2015. On April 24, 2015, Mr. Bonnell resigned from Schmidt's Wholesale and, on April 27, 2015, he became the rental manager at MM/SR.

The basis for the Division's conclusion about Mr. Bonnell's purported dual employment status is a printed copy of the online telephone directory for Schmidt's Wholesale, which is identified in the hearing record as WBE Exhibit 9. Division staff explained that staff conducted a search of the website for Schmidt's Wholesale, and discovered the online telephone directory in November 2016, before the Division issued the November 17, 2016 denial letter. (*See* WBE Exh. 9; CD2 20:54).

Mr. Bonnell is identified in the WBE certification application as an employee of MM/SR (*see* WBE Exh. 1). In addition, as part of a response to the Division's request to provide supporting documentation for MM/SR's employees, Ms. Schmidt provided a copy of MM/SR's NYS-45 (Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance

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<sup>2</sup> WBE Exhibit 16B was submitted as part of the initial WBE certification application prior to the Division's November 17, 2017 determination (CD1 32:00, 57:25).

Return) for the second quarter of 2016 (*i.e.*, April 1, 2016 through June 30, 2016) (*see* WBE Exh. 8). On page three of WBE Exhibit 8, MM/SR listed its two employees: Lisa Schmidt and Robert Bonnell. (*See* WBE Exh. 1 and 8; CD2 20:54.)

During the hearing, MM/SR established that information presented in the online telephone directory (*see* WBE Exh. 9) is not current (CD2 39:31) and, therefore, unreliable. With respect to determining whether Mr. Bonnell was employed by Schmidt's Wholesale or by MM/SR during the pendency of the Division's review of the WBE certification application, I assign no weight to WBE Exhibit 9. Rather, based on the information presented in WBE Exhibits 1 and 8, I find that Mr. Bonnell was employed exclusively by MM/SR at the time that MM/SR filed the WBE certification application.

According to the Division's November 17, 2016 denial letter, MM/SR purchased the tools and equipment that it rents to customers from Schmidt's Wholesale (*see* WBE Exh. 2; CD2 15:50, 21:47). In MM/SR's December 15, 2016 appeal papers, Ms. Schmidt acknowledged that MM/SR purchased tools and equipment from Schmidt's Wholesale. Ms. Schmidt contended, however, that Schmidt's Wholesale is not MM/SR's only vendor, and that Schmidt's Wholesale can provide competitive pricing for the tools and equipment that MM/SR purchased. (*See* WBE Exh. 4; CD1 41:08, 43:29.)

Division staff recognized that MM/SR obtained its tools and equipment from vendors other than Schmidt's Wholesale (CD2 41:32). During the review of the WBE certification application, Division staff determined that MM/SR's expenses exceeded its revenues (*see* WBE Exh. 10 and 19; CD1 41:52, CD2 42:38). Based on these circumstances, the Division argued that MM/SR "relied inordinately" on Schmidt's Wholesale as a source for tools and equipment. The Division argued further that MM/SR derived a significant benefit from its reliance on Schmidt's Wholesale, which demonstrates that MM/SR is a dependent, rather than an independent, business enterprise. (CD2 52:57.)

As noted above, MM/SR rents equipment and tools to contractors and home owners (*see* WBE Exh. 1; CD1 17:55). Schmidt's Wholesale, however, sells plumbing, heating, electrical, and HVAC supplies to contractors for residential, light commercial, and industrial projects (*see* WBE Exh. 1; CD2 02:00-02:36). The nature of the two businesses is different. The former rents tools and equipment, and the latter is a wholesale business. Accordingly, the source of MM/SR's tools and equipment is not relevant to determining whether the business enterprise is independent, as required by 5 NYCRR 144.2(a)(2) and 144.2(c)(2). But for the customers who come to rent its tools and equipment, MM/SR would not exist regardless of where or from whom it had acquired the tools and equipment in the first instance.

Moreover, whether MM/SR's expenditures exceeded its revenue in 2015 and 2016 is immaterial to its compliance with the independence criteria outlined in 5 NYCRR 144.2. MM/SR had various lines of credit from a local bank (*see* WBE Exh. 10, 12A, 12B, 19; CD1 12:26-14:26, 41:52) of which Division staff was aware (CD2 22:43-23:21). The application materials and the hearing record include no evidence to show that MM/SR relied upon Schmidt's Wholesale for additional lines of credit or other considerations, such as extended payment plans for tools and equipment.

Based on the foregoing discussion, I conclude that the Division's denial of MM/SR's WBE certification application is not supported by substantial evidence with respect to the independence criteria outlined at 5 NYCRR 144.2(a)(2) and 144.2(c)(2). Accordingly, the Division's determination with respect to compliance with the eligibility criteria related to independence should be modified.

### **CONCLUSIONS**

1. With respect to the contribution criterion at 5 NYCRR 144.2(a)(1), MM/SR did not meet its burden to show that the Division failed to base its November 17, 2016 determination to deny MM/SR's application for WBE certification on substantial evidence.
2. However, with respect to the independence criteria at 5 NYCRR 144.2(a)(2) and 144.2(c)(2), MM/SR met its burden to show that the Division failed to base its November 17, 2016 determination to deny MM/SR's application for WBE certification on substantial evidence.

### **RECOMMENDATION**

For the reasons set forth above, the Division's determination to deny MM/SR's application for certification as a woman-owned business enterprise should be modified and, as so modified, affirmed for the reasons set forth above.

Attachment: Exhibit Chart

Division of Minority and Women's Business Development

Exhibit Chart  
**Matter of Material Maven, LLC**

Hearing Date: May 16, 2017

<b>WBE Exhibit No.</b>	<b>Description</b>
1	Application filed by Material Maven d/b/a Schmidt's Rentals Application No. 6311038 Submitted: June 16, 2016
2	Division's denial letter dated November 17, 2016
3	Set of checks with Membership Interest Purchase Agreement Effective: March 23, 2016. [See WBE Exhibit 13]
4	Responses (1 through 7) to Division staff's August 2016 request for information and documents.
5	Bank Statements – Sterling National Bank (Montebello, NY) January 2015 – April 2015.
6	Lease Agreement dated December 21, 2015 [See WBE Exhibit 15]
7	Copies of rental checks dated January 7, 2016; March 15, 2016; May 18, 2016; June 9, 2016; July 8, 2016; and July 19, 2016.
8	NYS-45 Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Return Material Maven, LLC Second Quarter (April 1 – June 30) 2016
9	Telephone Directory for Schmidt's Wholesale, Inc. Monticello Store Copyright 2010-2013

10	Set of Invoices from Schmidt's Wholesale, Inc. to Schmidt's Rentals, LLC (Material Maven, LLC) 2015 with cancelled checks.
11	Operating Agreement of Material Maven, LLC January 29, 2015
12A	Promissory Note Material Maven, LLC d/b/a Schmidt's Rentals Loan Date: 03-04-2015 Loan No. 1221580
12B	Business Loan Agreement Material Maven, LLC d/b/a Schmidt's Rentals Loan Date: 05-05-2016 Loan No. 1121590
13	Membership Interest Purchase Agreement Effective: March 23, 2016 [See WBE Exhibit 3]
14	14 - Site Plan Dated: March 30, 2015 Schmidt's Rentals Property # 12.-1-34  Photographs (14A, 14B and 14C) of Schmidt's Rentals  14D – Town of Tompson Property Tax Bill 2016 Tax Map # 12.-1-34  14E – Town of Tompson Building Permit Dated: April 16, 2015 Property # 12.-1-34  14F – Town of Tompson Property Tax Bill 2016 Tax Map # 12.-1-32
15	Lease Agreement dated December 21, 2015 [See WBE Exhibit 6]

16A	Rental Payments January 2016 – December 2016 Transactions for Gary and Chris Schmidt
16B	Rental Payments (Filed as part of application for WBE certification) January 2016 – August 2016 Transactions for Gary and Chris Schmidt
17	Employment/Payroll Records for Robert Bonnell 2015 and 2016
18	Sterling National Bank Accounts for Material Maven, LLC d/b/a Schmidt's Rentals Change of Signature
19	Set of Invoices from Schmidt's Wholesale, Inc. to Schmidt's Rentals, LLC (Material Maven, LLC) 2015 and 2016 with some cancelled checks. [Compare WBE Exhibit 10]
20	Husqvarna Group Account Status Sheet with NYS ST-120 (Resale Certificate) IRS W-9
21	Wells Fargo Commercial Distribution Finance, LLC Dealer Application Credit Facility for Husqvarna Dated: August 31, 2016
22	Kubota Credit Corporation, USA Commercial Credit Application Dated: March 23, 2017
23	Various Summit Bobcat Agreements Dated: May 12, 2017; September 12, 2016; May 27, 2015; May 22, 2015.

All exhibits marked for identification are received into the evidentiary record (CD2 46:20; 47:24).