

Florida Firm Passes On Paycheck Protection Program



Peter J Reilly Contributor 

Taxes

I focus on the tax issues of individuals, businesses & more

When Daryl and Maury Carter were [featured in Forbes in 1993](#), it was because of their unusual real estate investment strategy - raw land and no leverage. Well now they distinguish themselves for another reason. Maury L Carter and Associates prepared to apply to the Paycheck Protection Program, but decided to pass, so that the money would be available to businesses that needed it more.



Healthcare workers wait to test residents at a coronavirus mobile testing facility at the University ... [\[+\]](#) ASSOCIATED PRESS

Some Things Change - Others Don't

MLC has changed a bit since 1993, moving into income property to some extent. But its operating philosophy remains. Daryl has taken the reins from his dad Maury, but still relies on Maury's wisdom to a significant extent and is grateful that Maury, a Korean War era veteran is still with us. I should mention that Daryl, Maury and MLC were my clients, before I became a slacker, but I would have written this story regardless.

Paycheck Protection Program

I gave Daryl a heads up about PPP, but of course he was already on it. I was mainly thinking about some of the host of tenants in buildings that Daryl provides oversight management to. It would seem to be a real win/win to help them with the paperwork and the banking connections. But of course MLC itself would also qualify.

Today In: [Taxes](#)



Daryl has an on the ball staff, a strong accounting firm and excellent banking connections, so putting the package together was pretty easy. The sticking point came when he studied the certification that he had to sign.

*(G) BORROWER REQUIREMENTS.— “(i) CERTIFICATION.—An eligible recipient applying for a covered loan shall make a good faith certification— “(I) that the uncertainty of current economic conditions **makes necessary the loan request to support the ongoing operations of the eligible recipient ; “(II) acknowledging that funds will be used to retain workers and maintain payroll or make mortgage payments, lease payments, and utility payments; (Emphasis added)***

MLC's main source of revenue is commercial real estate transactions, so the pandemic has certainly cast a pale of uncertainty on his business. Nonetheless, he did not think that the loan was absolutely necessary. Reserves on hand were sufficient to cover payroll.

Here is how he explained it to me.

In advance, I figured that the wealthy who had CPA's, tax advisors, banking relationships, and are organized would be first in and would obtain a good chunk of the money intended for those who really needed it. Anticipating that is why I decided not to take the money even though I had all of the paperwork ready to send.

My business is a small business largely dependent on contingent fee real estate commissions. Those will dry up and I could have used the money. I just figured there were folks who would need it more than me. Personal responsibility as a citizen is still important at the micro level. Bad micro decisions lead to macro problems.

You can expect a lot of articles about wealthy companies and individuals taking advantage of the program. Blame those companies and individuals for their decisions.

I'm leaving his political commentary out of this. That's one of our running arguments along with differences about the causes of the Late Unpleasantness. He kind of leans Lost Cause and I am neoabolitionist. Maury and I, after careful study, determined that our respective great-grandfathers probably never fired on one another, so there is that.

Other Coverage

AP reports that \$300 million of PPP funds [went to public companies](#). I found that particularly interesting, because I got a call from a consultant who told me that his client had been turned down because it was public. It struck me as an odd situation, but I told him that I had not seen that as a restriction and the thing to do was probably ask another bank. For what it is worth that is pretty small fraction of the total.

I have not found any articles about companies passing on PPP, but I may have missed them.

Protect Your Money During Uncertain Markets

Forbes Sound Money cuts through the noise and provides you with top-notch advice and information to help you manage your financial well-being.

Sign up

You may opt out any time. [Terms and Conditions](#) and [Privacy Policy](#).

Follow me on [Twitter](#) or [LinkedIn](#). Check out my [website](#).



Peter J Reilly

Follow

I have been a CPA for over 30 years focusing on taxation. I have extensive experience with partnerships, real estate and high net worth individuals. My ideology can be... **Read More**

[Site Feedback](#)

[Tips](#)

[Corrections](#)

[Reprints & Permissions](#)

[Terms](#)

[Privacy](#)

© 2020 Forbes Media LLC. All Rights Reserved.

[AdChoices](#)

ADVERTISEMENT
