

## LAW & GOVERNMENT NEWSMAKERS OF THE YEAR

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ments, there are circumstances where they might “wait it out” for when companies can reopen or start making money again, she said.

But don't expect the envelopes to stop coming any time soon.

“We haven't even seen the tip of the iceberg in the debt world because the creditors haven't even assessed where they're at” to “see what the delinquency rates are going to be,” Tayne said. And that reassessment may not take place till June, she added.

This means that the current economic struggles may “carry through the next three to five years,” she said.

Tenenbaum said that as many as 30 to 50 percent of restaurants may not come back, triggering tax issues and a new flux of personal or corporate bankruptcies.

This is the time to reassess budgets weekly, understanding cash flow, costs and spending, Tayne said. Cutting costs, consolidations, renegotiating contracts, debt settlement and refinancing are ways to avoid bankruptcy. Bankruptcy, she said, should be a last resort.

And you're not alone if this all seems overwhelming.

Which is why expert advice can go a long way, business advocates said.

When the bills are too much there are ways to navigate those mountains of unpaid bills, experts say.

Tax attorney Karen Tenenbaum said there are installment agreements from the IRS and New York state, as well as “penalty abatements for reasonable cause,” among other options. But there may be nuances, so it's best to speak with a tax expert.

And attorney Leslie Tayne urges owners to understand the links between their business and personal finances. “Trouble for your business's finances likely means trouble for your personal finances,” she said.

Struggling businesses should focus on cutting costs wherever possible, she said. “Explore debt relief methods: consolidation, renegotiating contracts, debt settlement, refinancing.” Bankruptcy should be a last resort. And a debt attorney can help.

-ADINA GENN

## The lifeline

There was confusion. And the urgent sense that if you didn't get a lifeline, your company was doomed. Maybe it would be doomed anyway.

That's how business owners amid the COVID-19 crisis describe the lead-up to and roll-out of the federal Paycheck Protection Program, the forgivable loan program created in April that helped businesses stay afloat and keep America working.

Christian Gordon, a proprietor of Port Washington-based Long Island Boat Rental, remembers those days well. His family-run business was already working with Neil Seiden's firm, Uniondale-based Asset Enhancement Solutions, on closing a loan from the Small Business Administration to finance a yacht, expanding its fleet as the firm prepared to open for boating season on May 1.

And then came COVID, the need to quarantine, new regulations and promise of the PPP loan, whose guidelines, amid an unprecedented time, shifted, spurring the confusion.

“We had Neil help us navigate the uncertainty,” Gordon said.



Photo by Judy Walker

**Neil Seiden helped Suffolk OTB, which operates Jake's 58 Casino Hotel, qualify for a Paycheck Protection Program loan.**

Besides assisting with other forms of financing, Seiden helped pierce through the haziness of PPP's onset to help Long Island Boat Rental and scores of others – including Suffolk OTB – participate in the federal program.

As Seiden tells it, he managed to get Long Island Boat Rental's SBA loan closed as every bank “was focusing on PPP loans” amid a sense that “the world was coming to an end.”

But Seiden saw that PPP loans became the only program generating buzz from existing and would-be clients.

“Businesses wanted the free money offered by the government,” he said.

Hearing about “the chaos going on with the initial rollout” of the program, he wanted to help.

AES was recognized as an agent, which enabled Seiden to refer PPP loans to different banks, and under the program, get paid by the bank, not the client, he said. To date, the firm processed 800 PPP loans, totaling \$100 million, helping to save an estimated 10,000 jobs, Seiden said.

But hearing about so many initial applicants being turned away, Seiden decided to “provide VIP service and hold their hand through the process.”

Recent reports show that many organizations that applied for PPP loans did get them. A new Marcum LLP-Hofstra University CEO survey, for example, found that ultimately 87 percent of those who applied for PPP and/or a Main Street Lending loan were successful.

Released last week, the survey offers a snapshot of CEOs' outlooks as the economy reopens. It polled more than 250 CEOs across the nation to see how mid-market companies are handling the simultaneous challenges of surviving in the COVID-19 economy amid increasing calls for racial equality. It also considers the CEOs' outlook of the current business climate and their priorities and concerns over the next 12 months.

Yet if an organization didn't know about the PPP program, it wouldn't apply. So Seiden decided to get the word out and help organizations, big and small, learn about and access funding if they qualified.

### Building a team

AES went from a one-man operation to a team of 19 within 16 weeks, with Seiden shaping his organization to respond to the need. The team included furloughed workers

and consultants he knew, most of them experts in finance. It also included an educator, Evan Siegel, who found it rewarding “to help people understand the process.” The team presented 105 webinars, including several in Spanish, so people understood how to adapt to the technology needed to properly fill out the application.

The PPP loans ranged widely – from \$600 for an independent contractor to more than \$7 million for a university. One team member, Brian Fern, said he encouraged Seiden to focus on larger loans, but noted that Seiden “altruistically” wanted to “help everyone.” The team worked with applicants who were turned down previously, or never heard back from the bank, and analyzed why. Sometimes it was because applicants used the wrong code or didn't identify themselves under the correct category, the team said.

“It was a collaborative effort, but Neil should take credit for putting this team together,” said Stephen Schwartz, who served as the team's chief financial officer.

Dave Saunders was the firm's gatekeeper, helping determine applicants' eligibility, and letting them know what to expect next in the process. “People said, ‘it's a pleasure to be able to talk to someone,’” as AES members followed up on applications. In one case, he said, the team helped a large employer in a small town upstate keep its doors open, helping that community's economy stay afloat.

Time was of the essence, especially in the first round of PPP, whose initial deadline was June 30. In mid-June, for example, AES began working with Suffolk OTB, which also operates Jake's 58 Casino Hotel in Islandia. Suffolk OTB, was in bankruptcy at the time, and gearing up to reopen Jake's 58, with all the mandated PPE and physical distancing guidelines. AES managed to secure a bridge loan for Suffolk OTB, which last year sent \$102 million to New York State Department of Education. With the bridge loan, Suffolk OTB got out bankruptcy, and as a result, qualified for a PPP loan.

“We worked day and night, and through the weekends” on the loan, said Tony Pancella, Suffolk OTB's vice president and chief operating officer.

### Moving forward

Out of bankruptcy, and with a PPP loan, Suffolk OTB could “maintain the staff that

we needed,” Pancella said. Now Jake's 58 is up and running, albeit at 25 percent capacity amid the pandemic.

Long Island Boat Rental, too, is operating, even though there were production delays with its new yacht. Still, as Long Islanders seek out fun, safe entertainment in the time of COVID, business is good, Gordon said.

“Demand for services on the water has skyrocketed,” he said. “The volume is busier than I've seen in the last seven years.”

Although the next reiteration of COVID-19 relief has stalled, Seiden believes Congress will ultimately pass something “because there is so much need.”

On Tuesday, the bipartisan Problem Solvers Caucus, of which Rep. Tom Suozzi is vice-chair, unveiled a relief package that includes \$290 billion for small business and nonprofit support.

Should that pass, Seiden said, his team “is ready to roll.”

-ADINA GENN

## Executive wish list 2021

A new COVID-19 stimulus package. Infrastructure investment. And the reinstatement of the state and local tax deduction.

These are just some of the top economic priorities amid the COVID crisis that business leaders have for the incoming Biden administration.

“We need COVID recovery for small business – more grants to help them with the financial pain they suffered,” said Kevin Law, president and CEO of the Long Island Association. “They don't need more loans – they need grants.”

Passing a new COVID-19 stimulus package is a top priority for more than 67 percent of the c-suite level executives responding to the most recent CEO survey from Marcum, a national accounting firm with offices in Melville, and Hofstra University's Frank G. Zarb School of Business, in Hempstead.

“Middle-market CEOs are clear about their need for additional economic relief to withstand the impact of COVID,” Jeffrey Weiner, Marcum chairman and CEO, said in a statement.

A wish list among executives is emerging across the nation as it struggles with another COVID-19 surge. Now, business leaders are sharing insights on their business outlook, government economic priorities and the coronavirus crisis itself as the Biden administration prepares to get underway.

CEOs “have deep concerns about the immediate future, and optimism has continued to trend downward,” Weiner said. “The resilience of mid-market companies—the backbone of our economy—is being tested, and time will tell whether the next administration is able to help right the course for U.S. businesses.”

Released last week, the Marcum-Hofstra survey in mid-November polled c-suite executives at 250 companies across the nation, from a broad spectrum of industries. The survey looked at economic priorities for 2021 and beyond.

### Manufacturing

Policies that promote U.S.-based manufacturing were favored as a top priority by more than 36 percent of the survey's respondents, as well as Long Islanders that spoke to LIBN.

“A key indicator of bringing back Amer-