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To our valued customers:

The CARE act which provides relief to small business owners was signed this past Friday and I have spent the weekend trying to decipher what it says and intends to do.

As of today, I think that the major strategic decisions to make, relative to the act, are whether you intend to apply for loans under the "Paychecks Protection" (PP) program or the "Economic Injury Disaster Loan" (EIDL) program.

The PP program provides zero-fee loans for up to \$10M to cover payroll and other operating expenses. Up to 8 weeks of payroll, mortgage, interest, rent and utility costs can be forgiven. (Please contact your lender.)

If you apply for and EIDL with the SBA, there is a \$10,000 emergency grant that has been created. The EIDL loans can be for up to \$2M with a 3.75% interest rate. A small business may apply for an EIDL grant and a PP loan that may be forgivable.

The operational decisions are much more difficult and should be made on a case by case basis. Whether to lay off employees and or restructure your business, is highly personal, and will depend on which of the many different factors that are most important to each owner.

We have been receiving numerous calls regarding help with these matters and strategic planning decisions. We will get to all who desire assistance in a very timely matter. Requests for telephone meetings will be returned, by me, in the order received. Every attempt to have a teleconference by the end of the day will be made for requests made before noon. Otherwise calls will be made by the next day. Since the issues are quite involved and the tax deadlines for all intents and purposes have not been extended for us, we request that you don't engage your tax preparer with these strategic questions.

Contrary to the belief that our tax season has been extended, it really has not. Because Hawaii did not extend the deadline for filing estimated taxes, we still need to complete most if not all of the tax return, so that estimated tax vouchers can be provided to our clients.

We'll get through this. Stay Safe!

Clayton Kirio, President