

MEMORANDUM

DATE: March 17, 2009

TO: Michigan Economic Growth Authority

FROM: Amy Deprez, Packaging Team Manager
Portfolio Management & Packaging

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Portfolio Management & Packaging

SUBJECT: Briefing Memo – Global Futures & Forex, Ltd.
High Technology/Retention MEGA Credit

COMPANY NAME:

Global Futures & Forex, Ltd.
4760 E. Fulton, Suite 201
Ada, MI 49301

HISTORY OF COMPANY:

Global Futures & Forex, Ltd (GFT) is an online foreign exchange provider incorporated in Michigan in 1997. GFT was created to address the increasing number of foreign currency trading demands their clients had in the futures and spot foreign exchange markets. GFT also aimed to bring integrity in products and improved customer service to foreign exchange customers, an emerging market for individual speculation.

GFT's founding principles were aimed at creating the best technological infrastructure and foreign exchange trading software while delivering the best possible customer services. Its management team identified that the union between foreign exchange and the Internet would create a niche market ideal for individual foreign exchange speculators. The combination resulted in a new generation of brokerage firms competing for customers who demanded speed, accuracy and accountability in pursuit of foreign exchange pricing and trading.

The company currently has 146 full-time employees in Michigan.

PROJECT DESCRIPTION:

Currently, GFT operates at full capacity at their current location in Ada, MI and is unable to house new employees. The company plans to expand their headquarters and move into a larger facility in Grand Rapids Twp. All employees will be transferred to the new Grand Rapids Twp location.

Global Futures & Forex, Ltd. will invest approximately \$13,168,600 and create 105 jobs over the next five years as a result of this project. The average weekly wage for the newly created jobs will be \$1,268. The company also offers healthcare benefits, and plans to pay a portion of the benefit cost.

BENEFIT TO STATE:

According to the economic analysis done by the Michigan Economic Development Corporation utilizing Regional Economic Models, Inc. software, it is estimated that this facility will generate a total of XX jobs in the state by the year 2016. Total state government revenues through the year 2016, net of MEGA costs, would be increased by \$XX million (current dollars) due to the presence of this facility.

BUSINESS CASE:

Global Futures & Forex, Ltd is also considering a location in Indiana where they have greater ability to recruit the skilled technical and financial people they need within the Chicago metropolitan area. Close proximity to Chicago would also reduce air travel costs incurred to order and support its global client base.

OTHER STATE AND LOCAL ASSISTANCE:

Grand Rapids Twp. plans to support this project by offering a P.A. 328 tax abatement to Global Futures & Forex, Ltd. The abatement is scheduled to be approved on March 3, 2009.

QUALIFYING HIGH-TECHNOLOGY ACTIVITY:

The company is a qualified advanced computing business, as defined in the Act.

RECOMMENDATION:

Based on the factors described above, the Michigan Economic Development Corporation recommends a 90 percent high-technology employment tax credit for seven years for up to 105 net new employees in excess of the company's established base of 146, and a 75 percent employment tax credit for seven years for the 146 retained employees included in this project.