



# Portfolio News

A quarterly update from Cambridge Capital Management Corp.™  
professional manager of non-traditional financing sources

Cambridge Capital  
Management Corp.

First Quarter 2011

## Small businesses have more debt financing options from SBA

The SBA gave us a new opportunity to refinance small business debt for fixed assets when it removed a deadline on a temporary 504 funding feature. It's still essential for banks and our staff at the Indiana Statewide CDC to work quickly -- and thoroughly -- for the program to realize its full value for Indiana small businesses.

The owners of small business with eligible commercial real estate mortgages, or other fixed asset debt, (without regard to the maturity date) are now able to use the debt refinancing program that was authorized by Congress and signed by President Obama as part of the 2010 Small Business Jobs Act. When this program was originally announced there were restrictions tied to the maturity dates. But based on feedback from the 504 industry and our bank partners, the SBA agreed to move forward and allow these projects to be refinanced using the 504 structure. This is expected to open up new opportunities for many more small businesses throughout Indiana.

There is still a sense of urgency however, because this program enhancement is temporary. This refinancing provision provides up to \$7.5 billion this fiscal year (ending September 30, 2011) and another \$7.5 billion for next fiscal year.

If current trends for loan applications continue, some of these funds may be left on the table. This would hurt the cause of small business lending. Small business now has the attention of Congress and the president: we don't want to give them the idea that small businesses don't need a boost. Credit markets are tight and only now beginning to loosen. We should use the new tools the SBA has provided.

So...if you are a small business owner, look at your current debt load. Were any of these loans used to purchase machinery or equipment? If they were, perhaps refinancing them with the 504 program would be beneficial for your cash flow. Keep in mind that the 504 loans provide very attractive terms and rates. (See page 2 for our most current rates.)

If you are a banker, review your portfolio of small business borrowers. It is likely that many of them could benefit from these enhanced terms. Keep in mind if you don't offer your own clients this opportunity...your competitor might. Be sure you are providing the best package for your customers.

Also, keep your eyes and ears open. Recent SBA 504 borrowers in Indiana have included a large animal veterinarian, owners of a small community's only radio sta-

tion and a company that developed new technology for manufacturing complex eyeglasses. It's safe to say that their lenders would not have begun the year thinking "we've got to fund a radio station" or, "I'll bet an equine veterinarian around here needs a loan." Their borrowers came to them because the bank door was open. But they stayed and took out a loan because the banker treated them with respect and provided good information.

Most bankers and small business owners consider their SBA 504 experiences as successful. We know the program provides good bang for the buck. We have funded more than 1,000 Indiana companies with loan packages that were more than \$1 billion dollars. This has truly made a difference for many businesses in the state. Will your business or one across the street be the next one to benefit?

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## Lender Incentive Program

Indiana Statewide CDC is grateful for the time and energy devoted by commercial lenders to their profession—and including us so often. The new Lender Incentive Program began October 1, 2010 and will run through September 30, 2012. You will help your community, give deserving businesses a better chance at success, and help build your bank's public image when you utilize the SBA 504 loan program.

In addition to a small gift as thanks for your time, we'll send cash in appreciation for allowing us to help.

For your 1st loan—\$100

For your 2nd loan—\$200

For your 3rd loan—\$300

For your 4th loan—\$500

For your 5th loan—\$750

For your 6th loan—\$1,000

If you are not familiar with the 504 program, please call us. Our staff will be happy to meet with you and your clients to discuss the 504 loan program highlights. They will go with you to call on prospects and assist them with completion of the loan application.

**We look forward to your call!**

**(317) 844-9810**

Jerry Van Bell, Jr. continues to grow his family business with SBA 504 financing from Wayne Bank & Trust Company and the Indiana Statewide CDC.

Van Bell opened a Lee's Famous Recipe Chicken restaurant on the north side of Muncie, buying the building formerly housing another restaurant. His latest Lee's Famous Chicken will employ 15 people.

Van Bell has operated several Lee's Famous Recipe Chicken restaurants for more than 20 years in and around Richmond. His father, Jerry Van Bell, Sr. owns the businesses. He has used the SBA 504 program to purchase real estate on which three other Lee's restaurants sit.

Dennis King of Wayne Bank and Trust says, **"The Van Bells are great people and we enjoy helping them build their businesses. The SBA and Indiana Statewide CDC are wonderful to work with, and I think they can be proud that the 504 program is achieving its goal of creating new jobs."**

For Van Bell, it's all about service. **"We get great service from Wayne Bank, the Statewide CDC and SBA, and we continue to give our customers outstanding service and an excellent product."**

### Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### Lee's Famous Recipe Chicken Muncie

In participation with

### Wayne Bank & Trust Co. Richmond



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The "effective" interest rates include the monthly amortization of the notes and the monthly payment of servicing fees.

### Effective Interest Rate

<u>2011</u>	<u>10-yr.</u>	<u>20-yr.</u>
January	4.706	5.739
February	—	6.071
March	4.894	5.941
April	—	5.900

# Indiana Statewide Certified Development Corp.

First Quarter 2011



Geo-Flo Products Corporation was founded in 1988 to manufacture and distribute loop pump modules for geothermal heating and cooling systems. The company's geothermal loop pump modules are also known as flow centers, flow controllers and pump packs. They use the industry standard Grundfos pumps and Geo-Flo's line of proprietary valves.

In 2010, German American Bancorp and the Indiana Statewide CDC provided SBA 504 financing to Geo-Flo's owner, Tom Miller, to purchase land and build the company's new office and manufacturing building in Bedford. 17 people are employed at Geo-Flo.

David Henson of German American says, "**Geo-Flo is an excellent example of a small company that creates high quality jobs in its local community while serving a worldwide market. The SBA 504 program was created to work with companies like Geo-Flo, and it worked perfectly to help this company expand upon its success.**"

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### Geo-Flo Products Corporation Bedford

In participation with

### German American Bancorp. Bloomington



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## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage & equipment financing for

### D. W. Planker, Inc. Greenwood

In participation with

### First Merchants Bank Greenwood



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Dan Planker started D.W. Planker, Inc. home remodeling on weekends in 1992 while employed full-time with Electronic Data Systems. By the time he felt ready to jump out on his own, he had constructed -- along with homes -- a list of satisfied customers.

Dan's son, Matt, must have noticed his father's work ethic and satisfaction in focusing on customer service. Matt was just nine years old when he first picked up the tools of the remodeling trade and worked with his father. He went off to Vincennes University and earned an Aviation Technology degree, but returned to the family business.

D.W. Planker obtained SBA 504 financing from First Merchants Bank and the Indiana Statewide CDC. The company renovated a building in Greenwood for its office, built an equipment storage structure and is adding a showroom for floor coverings.

John Purdie of First Merchants says, "**Dan is a pleasure to work with, and I think his customers feel the same way. The 504 program is always easy to use. And it's great for my borrowers.**"

Rural areas may lack amenities such as health care and small business financing. Tom and Jacqui Pelzel found SBA 504 financing through their banker, Andrew Kobs of FCN Bank, and it helped them expand their rural home health care business.

In 2007, several people told Tom and Jacqui that they needed home health care but could not find it in rural Dearborn County. Jacqui -- who had worked as a Registered Nurse in a major Cincinnati hospital and was a home health nurse -- and Tom realized they could heed the call. They opened Caring First Home Health and immediately built a client list of homebound, mostly elderly, residents in Dearborn and six nearby counties.

Needing to expand last year, the Pelzels received a SBA 504 loan from FCN Bank and the Indiana Statewide CDC to buy and convert a residential home in St. Leon. They now have space to implement a training program for Registered Home Health Aides.

Caring First employs 36 people: therapists, nurses and non-medical personnel. They meet varied patient needs -- daily or weekly visits, long-term care or short-term rehabilitation -- to people in their 40s, or over 90.

"**I love this kind of health care,**" says Jacqui. "**It is wonderful to be able to help someone in their own home. But if not for the 504 loan, we wouldn't have been able to do this.**"

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### Caring First Home Health, LLC West Harrison

In participation with

### FCN Bank Harrison, OH



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# Indiana Statewide Certified Development Corp.



First Quarter 2011

James and Cheryl Arnold are using SBA 504 financing from the National Bank of Indianapolis and the Indiana Statewide CDC to expand one of central Indiana's most recognizable retail brands: Kahn's Fine Wines & Spirits.

They began by building a new signature building near 54th and Keystone and moving the original Kahn's a half-block south into a store with ample space to showcase a selection of 5,000 wines, 1,100 beers and a variety of spirits.

In 2010, the Arnolds purchased and remodeled a former O'Malia's supermarket at 86th and Township Line Road in northwest Indianapolis. The shopping area now boasts a Kahn's serving northwest Indianapolis.

Andrew Thornton of the National Bank of Indianapolis says, "Using the SBA 504 financing with the Indiana Statewide CDC is a great experience for the Arnolds and me."

Jim Arnold says, "We were happy to discover that the Indiana Statewide CDC, National Bank of Indianapolis and the SBA approached our loans with care and concern for our needs."

Kahn's staff of more than 40 people in the two stores includes experts in wine, beer and spirits.

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### Kahn's Fine Wines & Spirits Indianapolis

In participation with  
**The National Bank  
of Indianapolis**  
Indianapolis



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Management Corp.**

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### Cantwell's Marathon Convenience Store Vincennes

In participation with  
**German American Bank**  
Vincennes



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Charles Cantwell is seeing a lot of familiar faces these days at his new business. He opened Cantwell's Marathon Short Stop in his hometown of Vincennes last year.

Charles worked in the area for 42 years. He and his wife, Cheryl, planned for opening their own enterprise. When the timing was right, they obtained SBA 504 financing from the German American Bancorp and the Indiana Statewide CDC to purchase land and build Cantwell's Short Stop near busy U.S. 41.

Cantwell's son, Dane, manages the store and supervises the staff of about 20 people. The number is needed to run a 24/7 business. Charles is frequently on hand, working and greeting customers.

Charles says, "We are pleased with the financing package. Getting a low, fixed rate is a tremendous help because we can apply more money to run the business rather than being saddled with high payments."

Greg Cardinal of German American Bank says, "The 504 program is designed to help people such as the Cantwell's. German American Bank uses the 504 program frequently because we see the value these loans create in the community."

"A great first year!" That's how Tim Kuzma summarizes the success of Munciana Volleyball in Yorktown.

STAR Financial Bank and Indiana Statewide CDC provided SBA 504 financing to acquire land and build a complete volleyball training and competition facility.

Munciana Volleyball opened in January 2010. First year activity for tournaments, clubs, apparel sales and concessions exceeded projections made by Kuzma and his co-owners, Wes Lyon, Steve Shondell and Mike Lingenfelter. In 2011, Munciana Volleyball will host more than a dozen tournaments, expand its camps and host a college recruiting combine.

Munciana Volleyball springs from the Muncie Volleyball Club, the winner of more national championships than any club the last 20 years and home to players and coaches on top women's teams across the country.

Kuzma has used SBA 504 financing from Indiana Statewide CDC two other times: he started the Indiana Basketball Academy in Carmel and a small manufacturing company in Muncie.

"I am a walking, breathing advocate of the SBA 504 program and have personally witnessed the positive economic impact that it can have," Kuzma says.

Harry Blowers of STAR Financial Bank says, "We find working with the SBA and the Statewide CDC to be an excellent experience."

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate equipment financing for

### Munciana Volleyball Yorktown

In participation with  
**STAR Financial Bank**  
Muncie



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# Indiana Community Business Credit Corp.

First Quarter 2011



Capitol Sports and Wellness Center in Plainfield is one of west suburban Indianapolis' growing success stories. And Capitol Sports spreads its influence beyond the west side.

On any given weekend -- and often during weekdays as well -- volleyball players from around Indiana and the Midwest bounce around the courts at Capitol Sports. They compete in leagues and tournaments, and the tourneys attract so many players that Capitol Sports assigns teams to facilities in places such as Avon, Decatur Township in Marion County and Columbus.

Capitol Sports is a success story for the Indiana Community Business Credit Corporation's mezzanine financing program. The company completed their repayment obligation to the Credit Corp. this year. They worked with James Aucremanne of The Huntington National Bank to arrange working capital financing from the Credit Corp. in 2008. They also borrowed from the SBA 504 program through The Huntington National Bank and the Indiana Statewide CDC to purchase Capitol Sports' site near U.S. 40 on the east side of Plainfield.

Aucremanne says, "**The Credit Corp's mezzanine pool was ideal for allowing the principals to complete their financing package for Capitol Sports.**"

**Indiana Community Business  
Credit Corp.**

Successful Exit for

**Capitol Sports Center**  
Plainfield



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It's not just volleyball at Capitol Sports. The Wellness Center offers members a full health program. In-house personal trainer, nutrition consultant and massage therapist complement the weight room and other workout facilities.

As a result of their continued growth and success, the Credit Corp. obligation was recently refinanced with traditional debt.

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## Stock Yards Bank & Trust Co. joins Indiana Community Business Credit Corporation

Indiana's bank-owned mezzanine fund gained its 33rd member when Stock Yards Bank & Trust joined the Indiana Community Business Credit Corp.

Stock Yards Bank Vice President Greg Murray says the Credit Corp. fits the needs of his bank and several of its small business borrowers. "**The Credit Corp. fills a gap between traditional bank financing and more expensive venture capital funding,**" Murray says.

The mezzanine financing provided by the Credit Corp. allows member banks to share the risk of funding a promising company.

The Credit Corp. pool of risk capital currently contains \$30.7 million. Member banks fund the pool, from which loans are made to projects in which the small business borrower needs at least \$200,000 in new financ-

ing. The Credit Corp. has directly funded \$55 million to 126 companies for projects totaling more than \$255 million in Indiana since 1986.

Stock Yards Bank is based in Louisville, with regional offices in Indianapolis and Cincinnati.

**Stock  
Yards**  
**Bank & Trust**  

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**SINCE 1904**

# Lynx Capital Corp.

First Quarter 2011



## Mays and Roby re-elected as chairman, president of Lynx board

Longtime Lynx board members Bill Mays of Mays Chemical Company and Philip Roby of the National Bank of Indianapolis were re-elected to the top two positions on the board at the Lynx annual meeting.

Mays, president of Mays Chemical Company, was re-elected chairman of the Lynx board. Roby, chief operating officer of the National Bank of the Indianapolis, will continue as president of the Lynx board.

Thomas Grein of Eli Lilly and Company and Jean Wojtowicz of Cambridge Capital Management Corp. were re-elected as treasurer and secretary, respectively, of the board.

Four board members were re-elected to new three-year terms expiring in 2014. They include: Charles Garcia, Garcia Construction Group; David Kretschmer, WellPoint; Dobbie Smith, Perfect Impressions Printing Company; and Steve Stitle of PNC Bank.

Lynx Capital Corporation provides growth capital to minority owned businesses in Indiana. Lynx's original mission was to serve companies in Marion and surrounding counties. Now covering the entire state, Lynx has provided capital to companies as far north as Lake County and south to Lawrence County, and several in between. Lynx requires participation of a secondary lender for projects outside central Indiana.

Since being established in 1991, Lynx has provided \$15 million to 66 Indiana companies. Borrowing companies should have at least five employees and three years of operating history. Minimum size for a Lynx Capital loan is \$75,000.



**Pictured above, left to right:** Steve Corbitt, Corbitt & Sons Construction; Cynthia Gardner & Sean Gardner, HG Metals; Charles Kennedy, Lynx Capital Corporation; Reagan Rick, M & I Bank



**Pictured above, left to right:** Denise Herd, H2H Group; Tom Grein, Eli Lilly & Company; Keianna Rae Harrison, H2H Group

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