



Portfolio News

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

Cambridge Capital
Management Corp.

Second Quarter 2012

Why do we do what we do?

Take a look around the next time you stand in line at the supermarket, buy a movie ticket, or purchase a new car. What's going on? You are witnessing the results of something we talk about all the time: healthy businesses create jobs, employing people who earn money and then spend it in their communities.

That's the reason we do what we do.

Many people ask our staff why we are passionate about our jobs. We believe that we can help businesses structure their financing in the most advantageous way, thus creating a better economy in which people may work and raise their families. And that's good for all of us.

On these newsletter pages, you will read short profiles of several companies that perfectly reflect how this works. At first glance, Sassafras on Main restaurant, Reach High Consulting and Minor's Collision Repair could not be more dif-

ferent. What is their common denominator? Each expanded or relocated and created jobs by using SBA 504 financing, and each provides products and services meaningful to their clients.

Simply put, people do not buy as many groceries, attend movies, or buy cars unless they have jobs. Looking at the examples in the previous paragraph, jobs give people the resources to eat a restaurant meal, obtain therapy, or repair their car.

With this mantra, we have helped more than 1,000 Indiana companies arrange financing to expand their business. Many business owners tell us that gaining a fixed rate for 20 years is a great way for them to conserve working capital and helps them be more successful and protect them from some of the economic waves that occur over time.

Jim Evans, president of a precision in-

strument manufacturer, RMI Holdings (also profiled in this issue), makes the point that the SBA 504 loan made it easier for 1st Source Bank to participate because the company was moving out of the bank's primary service area.

The point is simply this: a stable business is a business that can grow and employ more people. These people use those wages to create stable homes for their families. They buy food and other items in their communities and as a result help other businesses grow. The cycle repeats itself over and over.

Can you help us create a more stable Indiana? Can we help you get the financing to allow your business (or your borrower's business) the platform to grow and succeed? In the process, you will help provide stable jobs for fellow citizens, who then have the ability to provide for their families and buy goods and services from your neighbors.



Pictured from left to right: Bruce Burkart, Tom Surgener, Dan Fehrenbach, David Spade, Jean Wojtowicz, Sam Schlosser, Sam Eckart, Kevin Udem, Joe DeHaven and Sandy McCleese

Indiana Statewide CDC board members were on the road in June, enjoying a meeting, lunch and a tour of TomKen Plastic Technologies in Muncie. TomKen Plastic received SBA 504 funding from First Merchants Bank and Indiana Statewide CDC to build a 15,000 square-foot addition and purchase new machinery. Several contracts to produce components for 2013 model year cars spurred TomKen's expansion. Sales manager Kevin Udem, a 30-year TomKen employee, led the tour. He holds two chassis slide locks (right and left hand) for door panels, as he and the Indiana Statewide CDC board stand in front of a new 310-ton electric Toshiba plastic injection molding machine. It is one of two molding machines, each with a robot that moves parts to the next manufacturing cycle, and a 10-ton overhead crane purchased with the SBA 504 funding.

Thank you TomKen Plastic Technologies for hosting our June board meeting. Your hospitality is greatly appreciated!

INSIDE THIS ISSUE

Indiana Statewide CDC	
Rates	2
Tombstones	2-5
Indiana Community Business Credit Corp.	
Annual Meeting Update	6
Success Story	6
Lynx Capital Corporation	
Annual Meeting Update	7
New Funding	7
Cambridge Ventures, L.P.	
New Funding	8

Indiana Statewide Certified Development Corporation

Second Quarter 2012



A landmark restaurant in Bluffton has a new home and new owners.

Chuck and Sue Kristek bought the 1902 American Revival house on State Road 1 in Bluffton that was the Rittenhouse Restaurant for generations and renamed it "Sassafras on Main." They serve a full menu for lunch and dinner. An adjacent 250-seat banquet hall accommodates large parties.

Chuck Kristek says, **"The place is fantastic! Beautiful surroundings and wonderful food in a family atmosphere. It's like a step back in time, but we feel Sassafras on Main is a fresh take on rooted traditions."**

Chuck, a classically trained chef, and Sue, a longtime banker, bought the building and purchased and installed new equipment with financing from the SBA 504 loan program provided by MarkleBank and Indiana Statewide CDC.

Steve Habig of MarkleBank says, **"The SBA 504 program is a 'win-win' for the bank and the borrower. The customer needed to fund only 15 percent of the purchase price. Conventional financing typically requires a least 25 percent."**

Sue Kristek says, **"MarkleBank and Indiana Statewide CDC were easy to work with and responsive throughout the process."**

Chuck and Sue live upstairs in the old house, as did the Rittenhouse family. **"I love the commute down the stairs," says Sue.**

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage & equipment financing for

Sassafras on Main, LLC

Bluffton

In participation with

MarkleBank

Markle



ISCDC managed by:
Cambridge Capital Management Corp.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

RMI Holdings, LLC

Noblesville

In participation with
1st Source Bank

Plymouth



ISCDC managed by:
Cambridge Capital Management Corp.

Success at RMI Holdings created welcome problems: it needed more people to design and build spinal and orthopedic implants, and a larger, more modern manufacturing space.

The company found a roomy manufacturing building in Noblesville and obtained SBA 504 financing from 1st Source Bank and Indiana Statewide CDC. After buying the plant, RMI Holdings converted it from a cabinet making facility to one producing precision medical instruments. It provided relocation assistance to employees moving from northern Indiana to the Noblesville area, and moved design, manufacturing and milling equipment. (The company rebranded itself from Rochester Medical Implants.) **"The 504 financing was great,"** says RMI President Jim Evans. **"The process was smooth, we always knew what was going on. It also made it easier for our bank to help us."**

Brad Bucher of 1st Source Bank says, **"RMI Holdings is the perfect company for the 504 program. They are a smaller company taking 'the leap' to get bigger market share of their product. The new building and equipment allows them to do that."**

Evans says, **"Our position in the marketplace is as a leading contract manufacturer of precision titanium and stainless steel implants and surgical instruments. High quality is critical to us. Our new facility is equal or better than any in our industry."**

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



Effective Interest Rate

2012	10-yr.	20-yr.
April	—	4.75
May	3.76	4.46
June	—	4.50
July	3.70	4.46

Check out our website at www.cambridgecapitalmgmt.com

Indiana Statewide Certified Development Corporation

Second Quarter 2012



Team Gear Printing in Richmond helps all kinds of teams in eastern Indiana and western Ohio look their best at game time. Team Gear ramped up its business by purchasing equipment from Kessler's Sporting Goods when the latter dropped its apparel printing operation.

Mark "Tony" Mendenhall, a former Kessler employee, started Team Gear. When he purchased the equipment and a building to house the new operation, he received SBA 504 financing from First Bank Richmond and Indiana Statewide CDC.

Mendenhall says, **"The 504 loan and Team Gear were a good match. The fixed interest rate helps us with our budgeting. We are grateful for the loan and also grateful that our business is going well."**

Craig Lichtenberger of First Bank Richmond says, **"The loan-to-value feature of 504 financing is important for bankers. It decreases our risk and allows us to provide a great product to clients."**

Ten employees work at Team Gear Printing, the new go-to-place for high school, AAU, youth organizations and several college teams in a radius of about 50 miles around Richmond.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage & equipment financing for

Team Gear Printing, LLC

Richmond

In participation with

First Bank Richmond

Richmond



ISCDC managed by:
Cambridge Capital Management Corp.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Circle City Deli Provisions, Inc.

Fishers

In participation with

The Huntington National Bank

Indianapolis



ISCDC managed by:
Cambridge Capital Management Corp.

Steve Ferrara says the SBA 504 loan was "a fabulous option" for his wholesale meat distribution company.

Ferrara's company, Circle City Deli Provisions, purchased and upgraded a 10,000 square foot building on the east side of Indianapolis with SBA 504 financing from Huntington National Bank and the Indiana Statewide CDC.

Ferrara says, **"We like the great, set rate that we got from the SBA 504 loan."**

Joyce Wade of Huntington National Bank says, **"The low down payment and fixed rate were very attractive to this client. Overall, the 504 loans help borrowing companies smooth out their finances."**

Circle City Deli Provisions' ten employees distribute Boar's Head and deli meats and cheeses to delis, groceries and restaurants throughout central Indiana. The five-year old company moved to its new home from an older building in Indianapolis.

Hendricks County has warmly welcomed Hunt & Sons Memorials to Danville.

Matt Hunt says, **"In our first year, we've done 50 percent more business than I anticipated."** People who are not customers stop in just to say hello.

Hunt bought the real estate and building for Hunt & Sons Memorials with SBA 504 financing from Bloomfield State Bank and the Indiana Statewide CDC.

Hunt, his wife, Lori, and their sons Bryce and Brandon sell and engrave cemetery monuments and limestone signs. They engrave brick pavers honoring benefactors to Hendricks County Hospital and Sheltering Wings emergency shelter for victims of domestic violence, and pavers for the Angel of Hope statue in Avon, a memorial for children who have died.

Matt started helping families select cemetery markers 30 years ago with his father's firm in Sullivan County. He sold his share of that business to his brother to move to Hendricks County.

Dale Knotts of Bloomfield State Bank says, **"SBA 504 loans help small family companies compete with the financial terms offered to large companies. These loans are a good product for our bank because we can reach out to more small companies in our rural market area."**

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Hunt and Sons Memorials, LLC

Danville

In participation with

Bloomfield State Bank

Lyons



ISCDC managed by:
Cambridge Capital Management Corp.

Indiana Statewide Certified Development Corporation

Second Quarter 2012



Nicole and Steve Broyles had professional and sentimental reasons for buying a former wall covering store in New Castle for their CPA firm: they needed room for their company, Broyles CPA LLC, and Steve's father, Keith, had originally built the structure.

Nicole and Steve purchased and remodeled the building and moved in their five-person staff earlier this year. They received SBA 504 financing from First Merchants Bank and the Indiana Statewide CDC and completed repayment on a previous SBA 504 loan used in 2004 to buy land and build an office for their company. Nicole says, **"We originally thought that building would meet our needs through retirement."**

However, more space was needed as they gradually expanded their staff to provide a broader array of accounting-related services including financial, business and estate planning and fraud examination. Nicole says, **"We are quite pleased with the additional space and the opportunity to expand and grow our business."** Kevin Eckerty of First Merchants Bank says, **"The loan process was very good for Nicole and Steve; they found the long term, fixed rate to be very attractive. Having 504 loans available to us is also good for our bank."**

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Broyles CPA, LLC New Castle

In participation with
First Merchants Bank
Muncie



ISCDC managed by:
**Cambridge Capital
Management Corp.**

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage
& equipment financing for

Jimmy John's Indianapolis

In participation with
Royal Banks of Missouri
St. Louis, MO



ISCDC managed by:
**Cambridge Capital
Management Corp.**

When veteran restaurant owner Nayan Patel purchased a closed deli and converted it into a Jimmy John's on Indianapolis' southwest side, he turned to Indiana Statewide CDC and Royal Banks of Missouri to provide SBA 504 financing.

There was an apparent need for reasonably-priced wholesome takeout food in the area. Business has been brisk in the six months since opening at Sam Jones Parkway and Lynhurst.

Patel says, **"The 504 loan worked out well for us. We were able to complete the deal with a good rate and have enough cash left over to get off to a good start."**

Joseph Mazzuca of Royal Banks says, **"The process with Indiana Statewide CDC was very smooth. It was a textbook case of how a 504 loan should be handled."**

Patel owns Jimmy John's restaurants in Indianapolis and Columbus.

Cynthia Marcus enlisted in the Air Force after the University of Michigan and completed training as an operating room technician. She also served as an officer in the Army Reserves. Cynthia graduated from the Indiana University School of Law and joined a law practice. She feels her varied experience helps her serve the clients of Marcus Law Firm.

She established Marcus Law Firm in 2002 and recently purchased a building in Fishers to expand her practice. She worked with Stock Yards Bank & Trust and Indiana Statewide CDC on SBA 504 financing to complete her project.

Marcus Law Firm provides a variety of representation to businesses and people from all walks of life. Her firm consists of three lawyers who assist people in obtaining justice when confronted with the unexpected. Their practice is concentrated in family law, business law, appeals, elder law and medical malpractice. They are experienced trial attorneys who understand that the key to communication is listening to their clients.

Marcus says, **"The low down payment and long-term fixed rate of the SBA 504 financing are key to our financing structure."**

Jeanne Winn-Kehl of Stock Yards Bank & Trust says, **"We are pleased to offer the SBA 504 product as a service to our clients. It is a great program."**

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Marcus Law Firm, LLC Fishers

In participation with
Stock Yards Bank & Trust Co.
Indianapolis



ISCDC managed by:
**Cambridge Capital
Management Corp.**

Indiana Statewide Certified Development Corporation

Second Quarter 2012



Reach High Consulting and Therapy's trained behavior instructors teach self-help, social, school and communication skills to students and their families.

Audra Lampkins, who has worked with autism patients for 12 years, started Reach High three years ago. This year, she used SBA financing from German American Bank and Indiana Statewide CDC to buy and remodel a structure once used by a golf equipment firm.

Lampkins says, **"Our new home is all about building great services for clients with behavioral challenges and a diagnosis of autism. Hopefully, each can reach their maximum potential."**

Mark Franklin of German American says, **"Reach High makes a great difference for its clients. The fixed rate loan and low down payment helps Audra focus on the services she provides."**

Lampkins says, **"German American was the first bank to make us aware of the SBA 504 loan structure. I feel comfortable with Mark, German American and Indiana Statewide CDC. I would highly recommend them to any small business."**

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Reach High Consulting and Therapy, LLC

Bloomington

In participation with

German American Bank

Bloomington



ISCDC managed by:
Cambridge Capital Management Corp.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage & equipment financing for

Ameriprise Financial

Indianapolis

In participation with

The Huntington National Bank

Indianapolis



ISCDC managed by:
Cambridge Capital Management Corp.

Angela Grabovsky owns an Ameriprise Financial franchise in Carmel. She and her staff of three financial planners and three assistants offer comprehensive financial planning and asset management to individuals and small businesses in central Indiana.

Grabovsky received SBA 504 financing from The Huntington National Bank and Indiana Statewide CDC to buy an office condominium building for her practice.

"We are very happy with the loan and the building," Grabovsky says. **"We have a lot of space to grow, and we plan to do so."**

"Both Huntington Bank and the Indiana Statewide CDC were great to work with," she says.

Matthew Bitar of Huntington Bank says, **"The 504 program was a perfect fit for Angela and her group because it allowed them to secure long term financing at a great rate."**

John and Tammy Arroyo built A&E Salvage and Recycling in Sullivan by recycling material other people threw away. The opening of a second location in Linton validates their successful business formula. Both locations accept everything from cars to appliances—anything that might have once been new in a home or business. Then A&E reduces them to scrap and sells recycled material to other companies.

For their second location, A&E Salvage & Recycling in Linton, the Arroyos bought an existing scrap yard, remodeled the facility and cleaned past environmental damage. BMO Harris Bank and Indiana Statewide CDC provided a small business expansion loan to A&E from the SBA 504 loan program.

John Arroyo says, **"The 504 loan helps us do more: we bought a new, large magnet to separate unprepared steel, and are buying larger quantities of unprocessed scrap. With our new equipment, we are not just a salvage yard, we are a "recycling yard"."**

T.J. Mattick at BMO Harris says, **"The Arroyos are good borrowers for the SBA 504 program. They benefitted from a lower down payment requirement than our bank could offer otherwise, allowing them to retain more cash to operate their business."**

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage & equipment financing for

A&E Salvage and Recycling

Linton

In participation with

BMO Harris Bank

Plainfield



ISCDC managed by:
Cambridge Capital Management Corp.



Annual Meeting Update

Recently the Indiana Community Business Credit Corp. held its annual meeting of members and shareholders. This year marks our 26th year. Over this period of time we have assisted 131 companies with over \$55.2 million in financing. These projects represented total funding of \$267.2 million when combining our member banks' funding and funding from the Credit Corp. In each of these cases the projects would not have happened if not for the financing from the Credit Corp. Behind those numbers are many jobs, families who have prospered from those wages and communities that flourished.

During the meeting the following officers were re-elected:

- Mike Newbold, President - Market President of Huntington National Bank
- Kevin Smith, Vice President/Treasurer - Vice President and Credit Officer of KeyBank
- Jean Wojtowicz, Secretary - President of Cambridge Capital Management Corp.

In addition these directors were elected:

- Bill Salin, President of Salin Bank & Trust
- Neil Miller, Vice President of 1st Source Bank
- Scott Thiems, Executive Vice President of Regions Bank

These directors join the rest of the board which includes:

- Tony Albrecht, President of Lafayette Bank & Trust
- Bill Ammerman, Executive Vice President of PNC Bank
- Richard Barbercheck, Executive Vice President of First Financial Bancorp
- Andrew Cardimen, Senior Vice President of BMO Harris
- Brian Chaffin, President of Marine Bank
- Nancy Huber, President of Fifth Third Bank
- Steve McGlothlin, Executive Vice President of Old National Bank

In addition the following serve as ex-officio members of the Board:

- Richard Mourdock, State Treasurer
- David Mills, Director of the Indiana Department of Financial Institutions

The Credit Corp. manages a pool of risk capital that currently consists of \$27.7 million provided by 30 Indiana Banks.

Visit our website at www.cambridgecapitalmgmt.com to learn more about the Credit Corp. and our other sources of alternative financing.

Success Story



That fine Teakwood or resin wicker furniture you see on outdoor patios may have originated with Three Birds Casual in Columbia City.

The company, started in 1999, manufactures outdoor furniture in Indonesia and sends it to hotels, resorts and private homes around the world from its corporate headquarters and distribution warehouse in northern Indiana. It also maintains permanent showrooms in Chicago and Atlanta.

Three Birds owner, Tad Varga, foresaw the current consumer preference for resin wicker furniture. STAR Financial Bank partnered with ICBCC to put together a financing package which provided growth capital for the company. The financing was challenging because of the lead time for delivery of inventory from Indonesia. Significant volumes of furniture would be on the water for up to 6 weeks.

“The loan helped Three Birds expand into the resin wicker market. It was beneficial to us,” says Varga.

Three Birds Casual outdoor furniture is available in high quality stores throughout the nation, in Canada and Europe.

Lynx Capital Corporation

Second Quarter 2012



Annual Meeting Update



Pictured above, left to right: Cynthia Gardner of HG Metals and new board president, Tom Grein of Eli Lilly

Pictured below, left to right: Nammy Eskar of Chaser, LLC and Jean Wojtowicz of Cambridge Capital



Pictured above, left to right: Eric Davis of Mary's Seafood and Matt Tuohy of the Indiana Economic Development Corporation

Bill Mays, president of Mays Chemical Company, was re-elected chairman of the Lynx board. Thomas Grein, senior vice president of Eli Lilly, was elected president of the Lynx board with Philip Roby retiring this year. David Kretschmer of WellPoint was elected as treasurer and Jean Wojtowicz of Cambridge Capital Management Corp. was re-elected as secretary.

Two board members were re-elected and one new board member was elected to three-year terms expiring in 2015. They include: Mike Newbold, The Huntington National Bank; Willie Roper, IPL and Mark Bruin of The National Bank of Indianapolis.

Since being established in 1991, Lynx has provided over \$15 million to 68 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.

New Funding

HCO II is a minority-owned distributor and vendor of Indianapolis' Hubbard & Cravens coffees and teas, bringing what it calls "the coffee house experience" to offices and other business locations.

HCO II's office division, under the direction of President Hal Darring, was ready to make a huge move: it secured a contract to provide coffee and tea to Indiana University Health's three Indianapolis hospitals and downtown headquarters. Lynx Capital Corporation provided capital for HCO II to buy coffee-brewing and related equipment needed to take on the larger account. HCO II purchased stainless equipment and water purification systems to place in the IU Health locations.

Erni Mann, CFO for HCO II, says, "**We had been in a lot of small office locations. IU Health was a big step. It nearly quadrupled our business.**"

Hubbard & Cravens started roasting and distributing coffee in 1991. HCO II is a separate division in charge of providing fine, fresh coffee (the roasting operation is in an Indianapolis neighborhood) and tea to the company's retail locations as well as supermarkets and offices.

The office division currently employs three people and is looking to add two additional staff members.

Lynx Capital Corporation

Growth Capital for

HCO II, LLC
Indianapolis

In participation with

The Huntington National Bank
Indianapolis

LYNX managed by:
**Cambridge Capital
Management Corp.**





New Funding

Tim Emkow and Dan Johnson founded American Restoration, LLC to respond to calls from people suddenly in need.


American Restoration is a nationwide construction and insurance restoration company based in Fishers. Founded just three years ago, American Restoration's owners - Emkow and Johnson - and their contractors bring decades of experience to the firm and customers. Emkow, a construction management graduate from Purdue, was a custom home builder. Johnson supervised construction projects for the Army Corps of Engineers after earning an industrial engineering degree from Morehead State.

With good work experience and solid management, American Restoration received an injection of working capital from Cambridge Ventures, LP. The investment will help American Restoration achieve needed growth to serve those who suddenly need rebuilding services following a storm or other natural disaster.

Cambridge Ventures, LP

Growth Capital for

American Restoration, LLC
Fishers



CVLP managed by:
Cambridge Ventures, Inc.



PRSR1 STD
US Postage
PAID
Indianapolis, IN
Permit No.
9313