



# Portfolio News

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

Cambridge Capital  
Management Corp.

Second Quarter 2018

## Entrepreneurs + Cambridge Capital = Hoosier Successes

A lot of people have helped Cambridge Capital Management Corporation reach 35 years of financing Indiana small businesses; bank lenders, economic development professionals, government leaders and entrepreneurs.

Cambridge Capital was formed in 1983 to manage non-traditional sources of financing for business. It is having a tremendous impact so far. Cambridge has directly provided more than \$640 million to over 1,575 Indiana companies and helped create more than 15,000 jobs!

Cambridge Capital manages seven programs that fund small companies. Almost any company owner can qualify for at least one of them. Please read the list; which programs can help you serve your small business clients?

**Indiana Statewide Certified Development Corporation.** The SBA certifies this company to provide fixed asset financing. In each case it can provide up to 40% of the project cost in a second position. The ISCDC loan can range from \$50,000 - \$5.5 million. Since its inception in 1983 it has directly provided over \$516 million to 1,240 Indiana companies. Since ISCDC provides only part of the financing – these projects totaled more than \$1.3 billion in expansion financing for these Indiana companies.

**Indiana Community Business Credit Corp.** was formed in 1986 as part of the negotiation to get expanded banking laws passed in Indiana. It operates as a multi-bank community development corporation. Its members are banks that purchase stock and provide lines of credit to create a \$30

million pool of capital to fund the higher risk portion of credits. The Credit Corp. can consider a loan from \$100,000 - \$500,000 to supplement credit needs. The Credit Corp. has provided more than \$65.7 million to 163 Indiana Companies. Add the banks' share and these loan packages swell to more than \$309 million in growth capital!

**LYNX Capital Corporation** was established in 1991 to provide growth capital to companies owned by racial minorities. In many cases LYNX may be the only lender but efforts are made to leverage these dollars with traditional bank financing. The loan sizes are \$75,000 - \$300,000. To date, LYNX has provided over \$19.3 million to 92 Indiana based minority owned firms.

**Cambridge Ventures, LP.** is a licensed Small Business Investment Company. It was established in 1991 and capital was raised from 60+ investors. Cambridge focuses on providing \$100,000 - \$1,000,000 in capital to support growing businesses. To date Cambridge has directly provided over \$29 million to 60 companies.

**Community Investment Fund of Indiana.** In 2016 Cambridge took a management role with CIFI. It is co-located with the other Cambridge funds. CIFI is a mission-driven lender and is designated as a Community Development Financial Institution. It can provide \$25,000 - \$200,000 to small businesses and multi-family housing projects located in distressed areas. It has provided \$2.3 to 27 projects.

Cambridge Capital also provides underwriting services for state and city programs.

Cambridge provides underwriting and servicing for loans from the **City of Indianapolis Section 108 Program.** The City has \$37 million available and so far Cambridge has funded \$6.2 million, leaving \$30.8 million available for future projects to benefit low-and-moderate income individuals and businesses.

**Grow Indianapolis Fund.** New Market Tax Credits are used to create this small loan pool. The pool is a total of approximately \$8 million. To date \$3.4 has been approved and \$2.0 million funded. These loans must be located in severely distressed areas of Indianapolis.

Cambridge provides underwriting and servicing for the **State of Indiana Motorsport Improvement Fund** focusing on supporting race tracks and race related businesses. To date we have underwritten, funded and service the portfolio of loans representing \$657,000.

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# Indiana Statewide Certified Development Corp.

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A major expansion for Water Solutions Unlimited, Inc., of Franklin means customers who turn on the faucet in eight Midwestern states will get cleaner drinking water.

Water Solutions distributes water purification chemicals to utilities in Indiana, Illinois, Ohio, Kentucky, Michigan, Wisconsin, Iowa and Missouri. The company built a large blending plant in Indianapolis to increase its capacity. Owner Paul Stanley financed the project with a SBA 504 loan from Ryan Mooney at First Merchants Bank and Indiana Statewide CDC.

Stanley started Water Solutions in 1987, focusing first on Central Indiana and gradually expanding through the Midwest. His new blending plant is the company's third in Indianapolis. Water Solutions also has a blending plant in East Peoria, Illinois.

Stanley says, "We were the one of the first companies to recognize the effects of natural ammonia and organics coming from aquifers, and made presentations to water conventions throughout our market area. We now have liquid and dry ammonia products, algacides and bactericides, and products to remove biofilms online."



## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

**Water Solutions Unlimited, Inc.**  
Camby, IN

In participation with  
**First Merchants Bank**  
Indianapolis, IN



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

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

**Midwest Eye Consultants**  
Fort Wayne, IN

In participation with  
**First Federal Savings Bank**  
Fort Wayne, IN



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

Wabash-based Midwest Eye Consultants has built a successful group of eye care doctors in much of northern Indiana. Some of their locations have used SBA 504 financing, including Midwest Eye's latest along Paulding Road in Fort Wayne.

Joe Cavacini of First Federal Savings Bank in Fort Wayne worked with Indiana Statewide CDC to provide Midwest Eye's SBA 504 loan. Cavacini and the SBA 504 program have been key in Midwest Eye's emergence in the northern Indiana market.



## Effective Interest Rate

<b>2018</b>	<b>10-yr.</b>	<b>20-yr.</b>	<b>25-yr.</b>
<b>April</b>	<b>5.11</b>	<b>5.03</b>	<b>—</b>
<b>May</b>	<b>—</b>	<b>4.22</b>	<b>—</b>
<b>June</b>	<b>5.30</b>	<b>5.32</b>	<b>*5.67</b>

\*estimate

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



# Indiana Statewide Certified Development Corp.



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The Greenwood law firm Henn Haworth Cummings & Page is working in new offices on West Smith Valley Road.

Henn Haworth's four attorneys, David Henn, Brett Haworth, Paul Cummings and David Page, handle legal issues involving employment, families, businesses and accident and injury litigation. Henn, who has practiced law nearly 25 years, is managing attorney of the firm.

Henn Haworth bought its new building with SBA 504 financing from First Internet Bank and Indiana Statewide CDC. The firm leaves smaller leased space for new offices that Henn says are more convenient for clients and allow for anticipated growth beyond the firm's current 11 employees.

Henn says, **"The SBA 504 loan provides the flexibility we need to securely move forward with this new and exciting phase in our practice. The 504 loan gives us better command and control of our capital, empowering us to seize new opportunities."**

First Internet Bank's Chuck Fippen says, **"The 504 loan provides them with financing for a new building that is more competitive than renting and provides additional space for expansion. The loan package will also help insulate Henn Hayworth's monthly expenses in a rising rate environment."**

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

**Henn Haworth Cummings & Page**  
Greenwood, IN

In participation with  
**First Internet Bank**  
Fishers, IN



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

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

**A Nails LLC**  
Kokomo, IN

In participation with  
**First Farmers Bank & Trust**  
Kokomo, IN



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**Cambridge Capital Management Corp.**

A-Nails on Kokomo's East Hoffer Street near State Road 931 is a new nail salon owned by Trang Minh Anderson, who operated A Plus Nails for several years. A-Nails employ's six people providing nail service and products.

Anderson opened A-Nails in December in a newly-constructed building she financed with a SBA 504 loan from First Farmers Bank & Trust and the Indiana Statewide CDC. She says, **"The loan is working out well for us and business is very good. We are really happy here."**

Alice Rexing of First Farmers says, **"The SBA 504 loan's long-term, fixed interest rate and low down payment are a good foundation for building Mrs. Anderson's business. Working with the SBA 504 Program expands what First Farmers Bank & Trust can offer to new and expanding businesses alike. Because of the 504 Program we are able to offer more favorable terms."**



It's a new building and new efficiency for FF&S in Anderson. Owner and CEO Jeff Williams is happy with his SBA 504 loan that helped FF&S buy and equip its corporate headquarters in Anderson's Flagship Enterprise Center. **"Before this loan, our corporate office and Indiana based warehouse were in separate locations. Being under one roof is making us more efficient and building a strong team culture among our 38 employees. Something I know our customers will benefit from as well."**

FF&S (formerly Financial Forms & Systems) is a 32-year-old company that provides office supplies, industry-specific forms and promotional products. It works with businesses to manage costs, warehousing, distribution and financial reporting.

Williams obtained his 504 financing from STAR Financial Bank and Indiana Statewide CDC. **"The SBA 504 loan term and rate were very competitive. We might not have been able to accomplish our goal of a larger, consolidated corporate headquarters with a conventional loan,"** Williams says.

Trent Dowling of STAR Financial Bank says, **"Financial Forms & Systems is a great company to be headquartered here in Anderson. Jeff along with his team are top notch and great to work with. STAR is happy to call FF&S a partner."**



## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

**Financial Forms & Systems, Inc.**  
Anderson, IN

In participation with  
**STAR Financial Bank**  
Muncie, IN



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**Cambridge Capital Management Corp.**

Check out our website at [www.cambridgecapitalmgmt.com](http://www.cambridgecapitalmgmt.com)

# Indiana Community Business Credit Corp.

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It's been a busy several months for Priority Communications. The telecommunications provider moved into a larger corporate HQ near Carmel and purchased Midwest Telephone as its owner prepares to retire.

Priority Communications CEO Robert Brack obtained a working capital line of credit from Lake City Bank and term financing from the Indiana Community Business Credit Corp. to help finalize the purchase of Midwest Telephone, which is also based in Central Indiana.

Brack says Midwest Telephone employees will join Priority Communications' staff of 35. Overall, he says Priority One will create 20 more jobs as a result of its larger facilities and expanded services.

Ryan Hart of Lake City bank worked with the Credit Corp. and Priority Communications on the loan that helped Priority Communications purchase Midwest Telephone.

Priority Communications sells, installs and services corporate telephone, internet and data services. Its Central Indiana headquarters is supplemented by a satellite office in Evansville.



## Indiana Community Business Credit Corp.

Acquisition financing for

**Priority Communications**  
Indianapolis, IN

In participation with  
**Lake City Bank**  
Indianapolis, IN



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

## Indiana Community Business Credit Corp.

Growth Capital for

**HG Metals**  
Indianapolis, IN



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

HG Metals is a homegrown success story on Indianapolis' near East Side. In less than a dozen years under owner Cynthia Gardner, the company has progressed from handling only small jobs to fabricating and constructing large-scale metal work throughout the Midwest.

Now, with 30 employees and contracts to perform significant new work, HG Metals is buying property on Massachusetts Avenue that allows greater capacity for steel construction and assembly. (Large-scale assembly can now be done indoors, rather than outside as in its former location.) The Indiana Community Business Credit Corp. is stepping in with mezzanine financing to help the company reduce debt and work on upcoming projects. Indiana Statewide CDC is providing SBA 504 financing to assist HG Metals' purchase of the Mass Ave real estate and building.





## Lynx Fund-Raising

Lynx was established in 1991 to provide growth capital to companies owned by racial minorities. With a capital base of \$7 million Lynx has provided over \$19 million to 90 companies. In order to continue to meet the needs Lynx launched a capital campaign earlier this year.

We're seeing success in our 2018 capital drive to increase the resources of Lynx Capital Corporation. But there is still time for you to help!

A quick recap of the project's purpose:

You've probably known minority business leaders who have a great vision and strong business plan, but they can't attract business capital or don't qualify for conventional financing. What happens to them? Lynx Capital Corporation has been funding companies like that for more than 25 years.

**"Lynx saw, and supported, my vision" Sam Yadov, Quest Environmental**

We're asking you to help us keep the ball rolling. Please invest in Lynx Capital's campaign to raise \$3 million for funding up-and-coming Hoosier minority-owned small business.

Lynx was created in 1991 when few resources were available to invest in small businesses; particularly those owned by minority entrepreneurs. We've been successful because you, and others like you, helped us.

**"Lynx was a Godsend, twice." Cynthia Gardner, HG Metals**

We've invested in and served as informal advisors to more than 90 small businesses. We've helped them establish strong roots as they grow from the ground up.

We don't receive public funding. Your investment goes right to work helping a small business entrepreneur.

**"Lynx provided an opportunity for growth through a very difficult time."  
Deborah Oatts, Nubian Construction Group.**

Your investment will:

Significantly impact one or more small businesses;  
Allow you to practice your ideals;  
Inspire others;  
And create a more diversified economy.

Your Lynx investment is a good mix of altruism and sound business practices.

**"Lynx not only helped our company survive; but it enabled me to create a platform to acquire other companies. Lynx helped me grow." Nammy Eskar, Chaser LLC**

Feel free to contact Jean Wojtowicz at [jwojtowicz@cambridgecapitalmgmt.com](mailto:jwojtowicz@cambridgecapitalmgmt.com) if you would like to discuss this opportunity.

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## Community Investment Fund of Indiana

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### Grant boosts CIFI's efforts in Lake County

The Lake County Community Economic Development Department is issuing a grant for \$750,000 to the Community Investment Fund of Indiana (CIFI). The grant, to the non-profit small business Community Development Financial Institution (CDFI), will provide loans and technical assistance to small businesses in Lake County. It helps CIFI to leverage additional investments for lending to the historically underserved customers starting or expanding a business.

Cambridge Capital Management co-manages CIFI, which loans funds to Indiana's smallest businesses. Many are minority-owned, new businesses or in smaller markets and may not qualify for conventional financing or need additional funding to support growth. CIFI is funded by federal grants, Indiana banks and other stake holders.

Phil Black, CIFI Executive Director, says, "**CIFI is pleased to work in partnership with the Northwest Indiana Reinvestment Alliance, and Lake County Community Economic Development Department (LCCEDD) to secure funding for local investment in the area's small businesses.**"

"**Tim Brown (executive director of LCCEDD) has helped us take a tremendous leap forward for financing underserved and undercapitalized small businesses,**" Black adds.

