



Portfolio News

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

Cambridge Capital
Management Corp.

Second Quarter 2019

Help Your Customers Take Advantage of Low Rates

You've probably noticed that interest rates are trending lower recently; the latest rates for the SBA 504 program are far below prime for 10, 20 and 25-year repayment schedules.

As lenders, we tend to keep track of those things. One important group of our customers — current and potential — may not be up to speed on those lower rates. They are business owners. OK, owners are constantly on the lookout for ways to manage costs, but their time is chewed up by managing employees, inventory, sales, hours, customer demands and unforeseen problems. It's easy for a business owner to miss an opportunity to lock in a fixed rate at lower than prime. Lacking this news, he or she may postpone expanding their building or buying a machine that keeps them competitive. In other words, this opportunity may pass them by unless you tell them.

Look at this through a customer's eyes; they come to you for help and information. You're like a librarian before Google; you are a customer's primary (or only) source of advice on this particular subject. In fact, like a librarian in Google's wake, you must be a customer's lifeline for business financing information that is relevant *and* accurate.

Be sure your team understands (and is willing to learn) the distinctions between industries. A machine shop is not a convenience store. A law firm is not a hotel. A doctor's practice is not an auto repair shop. A financing program for one will not be a carbon copy of the loan package for another. (If you do not know the term "carbon copy," ask a senior lender in your department.)

Get your team ready. Be able to help a customer prepare to apply for a loan. Your business lenders should be aware of all the options that will help your customer retain as much capital as possible. And help them understand the differences *and the distinctions* between loan options.

We'll help you. We look forward to talking with you in person, on the phone or via email.



The "effective" interest rates on SBA 504 loans include the monthly amortization of the notes and the monthly payment of servicing fees.



Effective Interest Rate

<u>2019</u>	<u>10-yr.</u>	<u>20-yr.</u>	<u>25-yr.</u>
April	—	4.37	4.53
May	4.37	4.27	4.39
June	—	3.98	4.09

Inside This Issue

Indiana Statewide CDC Tombstones	2-3
ICBCC - New Funding	4
LYNX - New Funding	5
ICBCC & LYNX - Board Elections	6

Indiana Statewide Certified Development Corp.

Second Quarter 2019



IGH Steel Fabrication secured its foothold in Lebanon and added to its production capacity by purchasing the building it has leased for nearly seven years and buying new machinery.

Owners Scott and Penny Nirider used SBA 504 financing to buy the building and equipment. The Farmers Bank and Indiana Statewide CDC provided the loan.

Penny Nirider says the company's new equipment includes a fiber laser cutter, material handling system, 175 ton brake press, steam cleaner, and an IT equipment upgrade. She adds, **"Our state-of-the-art equipment allows us to be more competitive with larger fabrication shops, through faster turnaround, precision cutting and forming."**

Nirider says the SBA 504 loan to IGH Steel, **"Allows us to finance a portion of the overall loan for a longer period of time with low interest, and this helps with future cash flow and allows us to expand to new markets and continue to add new employees."**

Kendra Price of The Farmers Bank says, **"The Niriders are wonderful people to work with. The SBA 504 loan also helped them free up other cash to make a couple of extended-life machinery purchases, which will aid the company's efficiency for years to come."**

The Niriders, who are husband and wife, founded IGH Steel in 2009. They employ 32 people. Ten additional employees (four rotating each work day) come from Trinity Life Ministries, a residential addiction recovery service in Crawfordsville.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

IGH Steel Fabrication, Inc.
Lebanon, IN

In participation with
The Farmers Bank
Lebanon, IN



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Cambridge Capital Management Corp.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Rockville Kwik Mart
Indianapolis, IN

In participation with
Fifth Third Bank
Indianapolis, IN



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Cambridge Capital Management Corp.

Rockville Kwik Mart is a Shell gas station and convenience store open 24/7 at the intersection of Rockville and Country Club roads on the west side of Indianapolis.

Tahir Aman-Khan leased the land under his business for six years. Now, Aman-Khan has purchased the real estate and made several improvements. Aman-Khan bought the property with a loan from the SBA 504 program from Fifth Third Bank and Indiana Statewide CDC.

"We are very happy with the reduced down payment and longer fixed-rate repayment" Aman-Khan says. **"They allow for more cash to make several improvements to our property."**

Jacob Brown of Fifth Third Bank says, **"The 504 program is used frequently in this market because its flexibility allows banks to leverage more in service to the client than a conventional loan structure allows."**

Six people are employed at the Rockville Kwik Mart, including Aman-Khan, who is an on-site owner and operator.

Customer demand for restoration and storage of high-end cars was motivation for Ilya and Angela Grabovsky—the owners of Pete's Service at 49th & Pennsylvania streets in Indianapolis—to buy and remodel a warehouse-type building near 56th & North Keystone in Indianapolis.

The Grabovskys obtained SBA 504 financing from STAR Financial Bank for the purchase and build-out of the structure. The new location is now called Pete's Storage and Restoration and includes a parking lot on which the owners plan car shows and other events. It is about two miles from Pete's Service, which remains open.

Jim Kubacki of STAR Financial says, **"Pete's Service works on mainly foreign cars and is located within a residential neighborhood. It has long needed a place for secure storage and additional work. The SBA 504 loan was structured to accommodate the Grabovskys' need to stretch the remodeling out for several months until every aspect of the project was accomplished."**

The Grabovskys have used two other SBA 504 loans to assist them in establishing Angela's business, Ameriprise Financial.



Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Pete's Storage & Restoration, Inc.
Indianapolis, IN

In participation with
STAR Financial Bank
Indianapolis, IN



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Second Quarter 2019



An Indianapolis law firm found history when it searched for a new location. The three attorneys of Jacobson Hile Kight LLC, Christine Jacobson, Michael Hile and Andrew Kight — recently purchased a two-story, brick residence in the St. Joseph’s neighborhood, part of Indy’s Central Business District.

The century-old building at 9th & Talbott Streets, also known as The Elliott House, is now Jacobson Hile Kight LLC’s new home. Built in 1898, the beautiful Victorian home is within walking distance of Massachusetts Avenue, courthouses and the Central Library.

The law firm worked with Busey Bank’s Ann Kavalec on SBA 504 financing to purchase the property.

Jacobson says, **“This is a big change from our former space in a downtown office building. We are contributing to neighborhood revitalization and, hopefully, helping attract other businesses to — and supporting existing neighborhoods in — the area. Clients who have visited the firm’s new locale have been resoundingly positive on the change – finding that the atmosphere combines a warm and welcoming meeting place with significantly easier parking.”**

Kavalec says, **“Busey Bank is proud to partner with Indiana Statewide CDC, the SBA 504 loan program and Jacobson Hile Kight LLC. This type of financing allows businesses to secure a fixed rate on a portion of their debt for up to 25 years. With the SBA 504, expenses are more predictable, and budgeting and business planning can be done with confidence.”**

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Jacobson Hile Kight LLC
Indianapolis, IN

In participation with
Busey Bank
Carmel, IN



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Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Ambassador Travel, LLC
Evansville, IN

In participation with
Old National Bank
Evansville, OH



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Ambassador Travel doubled its size during the seven years since Ryan Scheidler bought the company. Schneider looked for a building to buy as a second Evansville location. He went as far as the building next door. Ambassador Travel is purchasing a brick business structure and is adding ten employees.

Schneider worked with Indiana Statewide CDC and Ben Shoulders of Old National Bank on SBA 504 financing to buy and equip the building.

Business and vacation travelers in the Evansville tri-state area have relied on Ambassador for tours and individual travel assistance since 1973. Scheidler bought the company in 2012. The company employs more than 50 travel pros in Evansville and several in its Jasper office.



There is room for more dogs and cats at Five Points Kennels, in southeast Indianapolis. Five Points opened an expanded boarding, daycare, training and grooming practice in its original, 15-year-old building.

Owners Ann and Kevin Stickford nearly doubled Five Points’ size by adding 12,000 square feet of space. Five Points Kennels can now accommodate 150 dogs and 60 cats overnight, 50 dogs in daycare and 25 dogs for grooming. The expansion also includes a lobby and prep kitchen.

The Stickfords, who are husband and wife, financed the construction and bought new equipment with a SBA 504 loan through Star Financial Bank and Indiana Statewide CDC. They used 504 financing to build their business in 2003.

Ann says, **“As a small business, it would have been very difficult — if not impossible — to obtain enough money through conventional financing due to the required higher down payments and shorter loan terms. We had a very positive experience working with the various entities who work together on the SBA 504 loan process.”**

Chad Baer of STAR Financial Bank says, **“Almost every small business owner needs a low-down payment and long-term, fixed repayment rate to give them a solid budget figure and help them retain cash for other purposes.”**

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Five Points Kennels, Inc.
Indianapolis, IN

In participation with
STAR Financial Bank
Indianapolis, IN



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Indiana Community Business Credit Corp.

Second Quarter 2019



Andy Meyer brewed up several successful recipes and started Two Deep Brewing Company, along with Scott Meyer (no relation) in 2014.

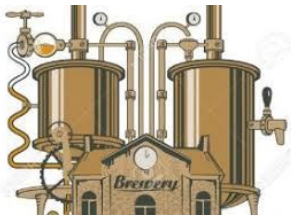
Two Deep's lagers and ales won several local and regional awards and its tasting room and pizza kitchen just north of the Statehouse along North Capitol Avenue built a good following.

The Indiana Community Business Credit Corp. and STAR Financial Bank assisted Two Deep with working capital and new equipment purchases. But success as a brand did not quite equal financial solidarity.

A new team — Surprise Face Entertainment — has purchased Two Deep and injecting cash to make improvements at the restaurant. Surprise Face is managed, operated and owned by Dave Castor and Keith Reilly. Castor has been an advisor to Two Deep and Reilly is the owner and operator of O'Reilly's restaurants, a former Credit Corp. borrower and an original investor in Two Deep.

The Credit Corp. and STAR Financial Bank are assisting in the re-structuring of Two Deep Brewing. Reilly says, **"The Credit Corp. is a tremendous help with its business expertise in addition to the important financial assistance. And, the Credit Corp. is more flexible than regular commercial financing."**

Two Deep remains open along North Capitol Street. Reilly reports Two Deep's 15 employees are busier than ever; they are welcoming families for the first time and just launched lunch service. Event bookings are also on the rise.



Indiana Community Business Credit Corporation

Provided Growth Capital
For:

Surprise Face Entertainment
Indianapolis, IN

In participation with
STAR Financial Bank
Indianapolis, IN



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

Indiana Community Business Credit Corporation

Provided Growth Capital
For:

Northwind Pharmaceuticals
Indianapolis, IN

In participation with
First Internet Bank
Fishers, IN



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

Have you ever walked out of your doctor's office with your prescription medication in-hand or had your full prescription delivered to your home? If so, you may have received a product packaged or shipped by Northwind Pharmaceuticals in Indianapolis.

Northwind Pharmaceuticals is a nationally licensed pharmaceutical distributor that ships ready-to-dispense medications directly to medical clinics. Northwind Pharmaceuticals' owner — since 2008 — Phillip Berry, also started other companies working under the Northwind umbrella; Crosswind Pharmacy delivers medications to patients in their homes, and Denton Pharma is an FDA-registered re-packer of pharmaceuticals.

Berry and his wife, Sally, founded Christian Park LLC to own a building in the 4800 block of Fletcher Avenue in Indianapolis that is housing the other companies. Another firm owned by Berry — Northwind Electronics, a company serving companies that need rapid response to cable engineering and assembly requirements — is also in the building.

Indiana Community Business Credit Corporation's mezzanine capital pool is providing working capital and capital to complete the purchase of the Christian Park building. First Internet Bank is a contributor to the capital pool. First Internet's Michelle Jameson represented the bank in the project.

Berry says, **"Our relationship with the Credit Corp enabled us to renovate and expand into our 27,000 square facility in Christian Park and hire over 20 people since the project began. We are currently at 47 employees and expect to double our size during 2019."**

"The team at the Credit Corp took the time to understand the complexity of our businesses and the markets we serve to help us secure funding that worked for our current needs and offered flexibility for future growth. We are grateful and appreciative of their help."



Check out our website at www.cambridgecapitalmgmt.com

LYNX Capital Corporation

Second Quarter 2019



FreightCore, Anderson

Even if the company name FreightCore doesn't ring a bell, you may have purchased products that it has delivered to one of your local stores.

FreightCore owns Chaser LLC and six other trucking and logistics companies that operate out of Anderson and cover the U.S.

Nammy Esker is president and managing member of FreightCore, and he's fueled the company's growth with Lynx financing on three occasions. The latest loan from Lynx is for working and expansion capital. Regions Bank in Memphis, Tennessee is Lynx's working bank partner.



Real Taste Catering, Indianapolis

Real Taste Catering is establishing a diverse clientele for its catering services and spice manufacturing in Indianapolis.

Mark Webster, Sr. established the company in 1996 and is its president. His company's 20-plus employees prepare and serve food for corporations, graduations, weddings and other types of gatherings. Catering is a competitive industry, particularly for a minority-owned-and-operated business.

Webster is obtaining Lynx Capital Corporation financing to re-finance and retire a loan from a high-rate provider and furnish working capital. Lake City Bank is partnering with Lynx on the loan.



First Merchants and Old National join LYNX Capital

Lynx Capital Corporation remains relevant and important to minority business owners.

In that spirit, recent capital infusions to Lynx Capital from Old National Bank and First Merchants Bank joined 19 other corporate entities that allow us to say "yes" to deserving business owners. Lynx helps borrowers overcome obstacles — low capital or poor location — that other lenders can't. One borrower told us recently, "**Lynx funding came through at the right time and is a big help.**" She echoes the relief we hear from others.

Indiana, as the rest of the nation, continues to add minority-owned businesses. For example, African Americans, women and other minorities own approximately 11.1 million U.S. companies. Between 2007 and 2017, minority-owned small businesses grew by 79%, about 10 times faster than the overall growth rate for U.S. small businesses.

Indiana's workforce is at its most diverse right now. There are lifelong Hoosiers sharing workplaces with first generation immigrants from India, China or Mexico. African American Hoosiers are opening businesses in the same block as one of Indiana's 85,000 second-generation immigrants.

In fact, most of us are not far removed from a homeland — even one we've never visited — away from America.



Check out our website at www.cambridgecapitalmgmt.com

Indiana Community Business Credit Corp.



Two Elected, Two Re-Elected to Indiana Community Business Credit Corp. Board

Two Indiana bankers are joining the board of Indiana Community Business Credit Corporation.

David Becker of First Internet Bank in Fishers and Chris Bower of First Financial Bank in Greensburg were elected to the board at the Credit Corp. annual meeting.

Current board members Tony Albrecht of First Merchants Bank in Lafayette and Mark Kugar of BMO Bank in Indianapolis were re-elected to new terms on the 13-member Credit Corp. board.

More than 30 Indiana banks contribute to the Credit Corp. pool of mezzanine capital. The capital pool provides loans to Indiana small businesses that do not yet qualify for regular commercial bank loans.

Since 1986, 67 million dollars have been loaned from the pool to 171 companies. Those projects total \$316 million when other bank financing is included.

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LYNX Capital Corp.



Minority Business Lender Lynx Capital Elects One and Re-elects five Others to Board

Lynx Capital Corporation has elected Mike Hurst of First Merchants Bank to its board.

Lynx Capital lends growth capital to minority-owned small businesses in Indiana. Hurst joined the board at Lynx Capital's annual meeting in Indianapolis.

Five Lynx directors won re-election. They are Phil Bounsall of The Knall/Cohen/Pence Group - Stifel Investments; Sara Mamuska-Morris of Citizens Energy Group; Tim Massey of BMO Harris Bank, David McNeely of PNC Bank and Rob Olds of Regions Bank. Fourteen persons serve on the Lynx board.

The officers on the board were all re-elected. They include Thomas Grein, a civic volunteer, as president; John Corbin of Huntington National Bank as treasurer; and Jean Wojtowicz of Cambridge Capital Management Corp. as secretary.

