



Portfolio News

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

Cambridge Capital
Management Corp.

Third Quarter 2015

ISCDC is here to help make your 504 loan happen

You've probably heard us say that we couldn't make so many great loans around the state without lenders. You are our "eyes & ears" on main streets in every Hoosier community. You know what is happening in your hometown -- expansion plans, new stores, startups -- which makes you best suited to seek out potential borrowers for your bank.

But perhaps we don't say often enough that we can come to you to help you make 504 loans happen for you and your local borrowers. You don't have to know all of the in's and out's of securing SBA 504 financing for your borrower. That's why we are here.

In fact, you don't even need to have a particular borrower in mind. We will schedule a training session with your entire lending team or just meet with a lender one-on-one, even if you don't have a deal in hand. This will help you know what is available and what to look for when you are exploring how to help new borrowers.

Whether or not you have a borrower in mind, it all starts with contacting Indiana Statewide CDC to talk through scenarios or set up a meeting. We will always make time in our schedule to meet with a lender or a borrower -- on your turf -- no matter where you may be located.

If you have a borrower with whom you are considering a 504 loan, you need only to have basic information ready when you contact us; then we will help you structure the deal. You do not have to have it all figured out before you pick up the phone or send that e-mail.

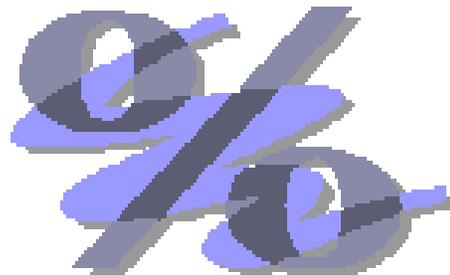
We always prefer to meet with you and your borrower in person to go through the application package. You don't have to explain it to the borrower; we can do that.

We'll cover exactly how to order the appraisal and environmental inspections to make sure that they come back right the first time. We will also provide detailed checklists all the way through. No guess work regarding what we need to complete the loan package.

We are always here to answer questions throughout the process.

Our goal here at Indiana Statewide? Same as yours; to make your borrower happy and help him or her achieve success.

Call us at 317-844-9810.



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

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Effective Interest Rate

2015	10-yr.	20-yr.
July	4.33	4.96
August	—	4.90
September	4.24	4.90



New loan committee members

Our Indiana Statewide CDC Loan Committees formalize the “eyes & ears” of our organization. The regional committees, north, central and south allow our Board to bring regional perspectives to loan decisions.

This summer, we welcomed six new members* to our loan committees. Each joins a seven-member regional committee and has used the SBA 504 loans for several borrowers. As Mary Ellen Jaynes of Seymour, a new member of the Southern Loan Committee, says, **“All our borrowers are small business owners with narrow profit margins; the 504 program is a benefit for them because of its low rate and low down payment, both of which are important to the owner of a business trying to gain a foothold in the marketplace.”**

NORTHERN LOAN COMMITTEE

Shelli Alexander	1 st Source Bank, South Bend
Brad Bucher	1st Source Bank, Plymouth
Jeff Dysert	PNC Bank, Fort Wayne
John Lowenstine	John Lowenstine CPA, Merrillville
Ken McCrory	Dekalb Co. Economic Dvlp. Partnership, Inc., Auburn
Daryl Pomranke*	First Merchants Bank, Munster

CENTRAL LOAN COMMITTEE

Jim Aucremanne*	Huntington National Bank, Indianapolis
Doug Boehme	Central ISBDC, Indianapolis
Jered Fuquay*	Alerding CPA Group, Indianapolis
Greg Gault	Indiana Business Bank, Indianapolis
Mary Jo Kennelly*	Centier Bank, Indianapolis
Tim Schlichte	Lake City Bank, Indianapolis
Jon Slaughter	State Bank of Lizton, Brownsburg

SOUTHERN LOAN COMMITTEE

Charles Fleck	German American Bank, Jasper
Steve Hunt	First Savings Bank, Salem
Mary Ellen Jaynes*	Jackson County Bank, Seymour
Tom Krodel	Old National Bank, Jasper
Larry Myers	First Savings Bank, Clarksville
Julie Rigrish*	Southeast ISBDC, New Albany
Richard Robinson	Rodefer Moss & Co., PLLC, New Albany



Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage
financing for

Lava Lounge
Indianapolis, IN

In participation with
The Huntington National Bank
Indianapolis, IN



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The night scene in Indianapolis’ Broad Ripple neighborhood needed some sophistication. Omar Barham purchased an existing space that had turned over several times after the exit of a long-term tenant.

He changed the focus of the place; after significant cleaning and remodeling, he opened Lava Lounge, an upscale, Mediterranean hookah bar and restaurant. Its keys to success: 30 blends of hookah tobacco, a diverse selection of cold and hot drinks, and well-prepared Mediterranean main dishes and appetizers.

The Huntington National Bank and Indiana Statewide CDC provided SBA 504 financing to Barham.

Joyce Wade Moore of Huntington says, **“The bank wanted to participate in this project because of the owner’s background and the plan he had for this space. The SBA 504 financing shares our risk and allows us to help. Omar brought in a crew to significantly clean and upgrade the space. It’s attractive; a lot nicer than it had been.”**

Indiana Statewide Certified Development Corp.

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Calvin Landscape moved closer to its customers by relocating to the northwest side of Indianapolis this spring. Owner James Calvin bought and remodeled real estate and buildings with a loan from the SBA 504 program through The Huntington National Bank and Indiana Statewide CDC.

“We’ve tripled our size,” says Calvin, referring to his company’s office, warehouse and outdoor display bins. **“Our clients will soon be able to come in and look at display gardens.”**

Seth Perigo of Huntington says, **“The SBA 504 loan makes sense for Calvin Landscape in that they were looking for a product that has a long, competitive fixed rate. They were leasing space on the west side and Jim recognized that most of his growth was on the north side. He then started looking for a building in 2013, and we ended up closing the real estate purchase in November 2014, and started the improvement construction which lasted until this last April.”**

Calvin says, **“We love our new location, and the 504 loan was great.”**

Calvin is a third generation owner of the business that started 30 years ago and now employs 40 people.

“We’ll do everything from a small backyard patio, to a cozy courtyard setting to a multi-acre estate,” says Calvin.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage & equipment financing for

Calvin Landscape, LLC
Indianapolis, IN

In participation with
The Huntington National Bank
Indianapolis, IN



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Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Rigg’s Outdoor Power Equipment
Valparaiso, IN

In participation with
TCF National Bank
Valparaiso, IN



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Geoff Blanco, who has been the co-owner of the business for over a decade, purchased the interest of the founder and co-owner of the company. In accomplishing the buy-out, Blanco partially financed the purchase with TCF National Bank and Indiana Statewide CDC, who worked together to provide a SBA 504 loan.

Rigg’s Outdoor Power Equipment has four stores in Valparaiso, LaPorte, Mishawaka and Lafayette and employs over 40 people. It has sold and rented power equipment for residential, municipal, construction and agricultural customers for over 30 years.

Mikal Christopherson of TCF National Bank says, **“The 504 loan allows Geoff to re-invest in his business. Most business owners are not sitting on a lot of cash because they need it for their business, so this program allows owners to make a significant purchase without hurting their ability to fund day-to-day expenses.”**



The need for high-quality psychiatric treatment for senior citizens is underlined by the success of Assurance Health Systems in Anderson.

SBA 504 financing from STAR Financial Bank and Indiana Statewide CDC assisted Assurance Health in building and equipping the 22-bed inpatient center in Anderson. STAR Financial also worked with the Indiana Community Business Credit Corp to provide the working capital needed to support this start up.

Assurance Health President Kyle Small says, **“STAR Financial Bank and the Cambridge Capital companies continue to be great partners with us.”**

Gary Erskine of STAR Financial says, **“The structure of the SBA 504 loan is crucial to Assurance Health meeting its financial needs and retaining operating capital at the same time.”**

Assurance Health employs about 50 highly-trained professional psychiatric workers at its Anderson hospital.



Assurance Health System
Senior Inpatient Psychiatric Care

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Assurance Health LLC
Anderson, IN

In participation with
Star Financial Bank
Anderson, IN



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Indiana Statewide Certified Development Corp.

Third Quarter 2015



Trucks with Green BEAN Delivery logos on their sides are fast becoming familiar in Indiana, Ohio, Kentucky, Missouri and Tennessee.

Green BEAN Delivery, the region's largest online natural and organic grocery delivery service, has purchased, remodeled and occupied new corporate headquarters this year in Indianapolis.

SBA 504 financing through STAR Financial Bank and Indiana Statewide CDC helped Green BEAN (Biodynamic, Education, Agriculture, Nutrition) with the purchase and construction costs. This project brings more than 200 jobs to Indianapolis' east side.

Matthew Ewer started the company in 2007. Ewer says, **"We partner with the best local farmers and artisans to bring organic produce and natural groceries to our customers. The SBA 504 loan was a big boost for us. The SBA loan allowed us to make a solid long-term investment in much needed infrastructure while keeping our cash flow fluid for market expansion and business development."**

Jim Wallace of STAR Financial Bank says, **"This business is Matt's passion. In regards to utilizing the 504 loan, it was a no brainer. It is the best path to take and allow Matt to accomplish his goals as a business owner."**

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Green BEAN Delivery
Indianapolis, IN

In participation with
STAR Financial Bank
Marion, IN



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Indiana Statewide Certified Development Corporation

Permanent fixed-rate equipment financing for

Cardinal Spirits, LLC
Bloomington, IN

In participation with
German American Bank
Bloomington, IN



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The owners of Bloomington's Cardinal Spirits, Jeff Wuslich and Adam Quirk, are proud that their lines of vodka, gin, rum, whiskey and bourbon are distilled near downtown Bloomington in an old sheet metal factory.

Their funding is also local. Cardinal Spirits received SBA 504 financing from German American Bank in Bloomington and Indiana Statewide CDC, to help convert the old factory and equip it for distilling. Other investors include local small business owners, college professors, family members, and professional investors, according to Quirk.

Quirk says, **"We grew up after the bulk of manufacturing jobs had already left our country. We love being able to hold something in our hands and say, 'I made this from scratch, and it's amazing.'"**

"With a 504 loan we were able to afford professional-level modern distilling equipment that guarantees we can maintain a high level of quality every single batch," says Quirk.

German American's Mark Franklin says, **"The 504 program allowed German American, along with the ISCDC, the ability to fund this startup with specialized equipment needs and the creation of over 20 jobs in Bloomington."**



As a firefighter and chimney sweep in Richmond, John Meredith noticed a lot of masonry that needed restoration, so he started SaverSystems in the 1980's to manufacture waterproofing and masonry compounds for chimneys. As word spread and sales expanded across the nation, SaverSystems added to its manufacturing capacity and acquired other product lines.

SaverSystems now employs 30 people who make and distribute restorative products for masonry, concrete and wood.

This leads to the company's latest expansion. Meredith purchased a building next door to SaverSystems' headquarters. First Merchants Bank in Richmond and Indiana Statewide CDC provided SBA 504 financing for the building.

Meredith says, **"We've been very pleased with the financing. I was wary of the SBA, but Indiana Statewide and First Merchants walked us through the process and made it palatable."**

Lee Elzemeyer of First Merchants says, **"The 504 program enhances the options of businesses such as SaverSystems by allowing them to retain more capital for operations."**

SaverSystems will now make more of its products in-house. Meredith says his company licensed formulas for high temperature coatings, used in fireplaces and chimneys, to other manufacturers. He says, **"Now we're bringing more manufacturing to Richmond."**

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

SaverSystems
Richmond, IN

In participation with
First Merchants Bank
Richmond, IN



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Indiana Community Business Credit Corp.

Third Quarter 2015



Banker-supported Credit Corp. pool helps small business

Thirty years and \$61 million in project funding after it started, the Indiana Community Business Credit Corp. is just as vital as ever.

The Credit Corp. started as a promise by Indiana bankers to the Governor and Indiana General Assembly in 1986. Bankers were trying, for eight successive years, to get legislative approval to expand outside of the county in which they were headquartered. (Indiana was one of only two states that did not allow the practice).

People were concerned that the bank expansions and potential mergers would reduce the amount of capital for small businesses. In return, part of the legislation created the Credit Corp. to fund local businesses from a pool of mezzanine capital provided by member banks.

At first, banks were reluctant to follow through; but by the Credit Corp's second annual meeting, several banks were boasting that they were among the first to commit their support for this fund. Credit Corp. membership became -- and still is -- a selling tool for them.

The need for the Credit Corp. is just as strong today as in 1986. The ability to raise small amounts of gap financing is still very difficult. Many sources of gap financing do not look at gaps below \$2 million. Companies that needed \$100,000 - \$500,000 were out of luck (unless the owner had a rich uncle) before the Credit Corp.

To date the Credit Corp. has provided over \$61 million to more than 150 Indiana companies such as Thr3e Wise Men brewery and restaurant in Indianapolis, Associated Construction Publications (a national publisher based in Indianapolis) and Ken Herceg & Associates Architecture and Construction of South Bend.

The Credit Corp now has 31 investors - with a total fund available of over \$30 million.

Here's how the Credit Corp. works: the Credit Corp. steps in to compliment the funding available from member banks. The member bank must be willing to provide new funding to the borrower in question. The Credit Corp. will not have more exposure than the member bank. The Credit Corp. is in a secondary position on collateral but has an equal right to payment.

If you would like to know more - feel free to call our office and we will schedule a time to come to your bank to present more information including case studies.

If you are interested in which banks are members - visit our web site. If your bank is not a member - call and we can get you the information you need to become part of this pool.

We are also happy to go on joint calls to prospect companies and help find a solution to the funding needs of small businesses.

THR3E WISE MEN
BREWING CO.

ACP
ASSOCIATED CONSTRUCTION
PUBLICATIONS, LLC

DONOHUE/HERCEG
& ASSOCIATES

Cambridge Ventures, LP

Third Quarter 2015



Cambridge Ventures, LP

Provided Growth Capital
For:

Indy Elite Garage Doors, LLC
Indianapolis, IN



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

For a company with significant material costs, the time between receiving a contract and payment can stretch out for months, or a year. That's a gap Ken and Jamie Birkle needed to bridge this year with their company, Indy Elite Garage Doors.

The couple bought the company in 2013, when it was struggling. The Birkle's jump-started marketing to home and business owners. And Jamie used her LEAN Black Belt training to reorganize the warehouse.

As the number of garage doors they sold and serviced increased, Indy Elite hired more people; employment more than doubled to 13. But pursuing more commercial work led to the gap between doing the work and getting paid for it.

Cambridge Ventures L.P. jumped in with funding. Jamie says, **"We reached out to Cambridge Ventures because we are trying to expand our commercial work, and \$50 - \$100,000 worth of materials are often needed to be bought on the front end. Our funding is working very well and we are grateful for the support we received from Cambridge Ventures."**



Lynx Capital Corp.



Success means reaching out for HG Metals. The metal fabricator crafts functional and beautiful metal work in its east side Indianapolis shop for assembly locally and across the Midwest.

Lynx Capital Corporation has helped HG Metals at crucial times; providing working capital to fund projects coming out of the recession, and again to help HG Metals provide key work for a major Monsanto project near St. Louis.

Cynthia Gardner, HG Metals' CEO, says, **"The cost of steel material and skilled labor is daunting and Lynx was willing to help us get this job off the ground."**

HG Metals has fabricated steel stairs for the new Taylor University science building, the gateway arch for White River State Park, handrails for Indianapolis International Airport and now is making components for Monsanto's Chesterfield Village Research & Development Center. A Monsanto press release describes the project as the **"global hub for R&D and agricultural innovation."**

HG Metals is contracting with Alberici Constructors, a longtime St. Louis company that is construction manager on the project.

Gardner says, **"We are a really small cog in a very large project. If we perform well, we may be able to do more work for Monsanto."**

Lynx Capital Corp.

Provided Growth Capital
For:

HG Metals
Indianapolis, IN



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

Cambridge Capital Management Corp.

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