



Portfolio News

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

**Cambridge Capital
Management Corp.**

Fourth Quarter 2013

Indiana Statewide CDC board elects David Spade

David Spade, Senior Vice President and Regional Credit Officer for First Merchants Bank, is the new president of the board of Indiana Statewide Certified Development Corporation. Spade succeeds Dan Fehrenbach of Western Indiana Financial LLC in Terre Haute.

David and Dan are longtime members of the board, experienced bankers and men who give freely of their time and expertise in their communities. We are grateful that David is accepting this new assignment and fortunate that Dan remains on the board where he has served for 30 years, the last 24 as president.

Three other board members were re-elected. Their three-year terms expire in 2016. They are:

Gene Dawson, United Fidelity Bank, Evansville
Chad Pittman, Indiana Economic Development Corp.
Sam Schlosser, Plymouth Foundry, Inc.

And, we welcome two new members to the Indiana Statewide CDC board for three-year terms expiring in 2016.

Dave Bowers, Centier Bank, Carmel

Bill Denton, Horizon Bank, Indianapolis

Wayne Bank & Trust wins second straight Lender of the Year award

It's a two-year winning streak for Wayne Bank and Trust of Richmond! Wayne Bank is Indiana's 2013 Small Business Lender of the Year, adding to its 2012 laurels, earned by the bank that generates the largest volume of SBA 504 small business loans with the Indiana Statewide Certified Development Corporation as a percentage of total bank deposits.

The Friendship State Bank was runner-up for the Lender of the Year award. Twenty-five Indiana banks and other lenders vied for the honor in fiscal 2013, which ended September 30th.

Dennis King, the loan officer who generated the loans, accepted the award from Jean Wojtowicz at the Indiana Statewide CDC annual meeting.



Dennis King receives Wayne Bank & Trust's Small Business Lender of the Year award from Jean Wojtowicz, executive director of the Indiana Statewide CDC.

Lender Recognized for Loan Volume

First Merchants Bank was the institution with the most approved SBA 504 loans and the most SBA 504 debenture dollars for 2013. Mike Stewart accepted the awards from Jean Wojtowicz. First Merchants generated ten SBA 504 loans totaling \$7.6 million! It's the third time in five years that First Merchants has been the Indiana Statewide CDC's most active lender.

Leading the individual award winners was Joe Cavacini of First Merchants Bank. He had two loans approved in 2013 by the Indiana Statewide CDC, tying him for first place in loan volume. Cavacini was also the banker who generated the most SBA 504 debenture dollars.

The other two bankers tied for the loan volume award in 2013 were:

*Jeff Dougan of The Friendship State Bank
*Christopher Caldwell of MutualBank

Each award represents a significant addition to Indiana's economy! We appreciate the opportunity to help.



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Indiana Statewide CDC

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Loan Volume Recognized

Mike Stewart of First Merchants Bank receiving their award from Jean Wojtowicz for the most SBA 504 loans.



Indiana Statewide top ten lenders for fiscal year 2013 were:

1. First Merchants Bank
2. The Huntington National Bank
3. German American Bank
4. Bridgestone Bank
5. The National Bank of Indianapolis
6. Bank of America
7. The Friendship State Bank
8. Lake City Bank
9. BMO Harris Bank
10. Busey Bank



Above: First Merchants' **Joe Cavacini**, who generated the most SBA 504 loans and debt奔ure dollars with Indiana Statewide CDC.



Sam Schlosser of Plymouth Foundry received recognition for serving five years on the Indiana Statewide CDC board.



Greg Gault of Indiana Business Bank receiving his award from Sandy McCleese

Noteworthy Service Awards

Loan Committee Recognition

5 years: Greg Gault, of Indiana Business Bank

10 years: Dennis King, Wayne Bank & Trust

Jon Slaughter, State Bank of Lizton

15 years: Brad Bucher, 1st Source Bank

25 years: Steve Hunt, Community First Bank

Board of Directors Recognition

5 years: Sam Schlosser, Plymouth Foundry

Thank you for your years of service!



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

Effective Interest Rate

2013	10-yr.	20-yr.
October	—	5.45
November	4.40	5.46
December	—	5.46

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Tim Fisher used the SBA 504 program to practice what he believes is the best marketing strategy for his company, Fisher Tool & Design in Evansville.

"You must let your customers know that you are a vendor who will stay up with the times," Fisher says. To practice what he preaches, Fisher purchased and installed an Okuma 1000VH 5-Axis machining center. German American Bank and the Indiana Statewide CDC provided his SBA 504 loan.

Fisher Tool's ten employees are highly-skilled machinists, and several are 20-year veterans of the company. But work orders overrode machine capacity and forced the company to decline some new work. The new machining center reduces the number of man hours required for one major client and freed up a second machine for work previously turned away.

Fisher says, **"Without this SBA 504 loan and Lindsay Botsch, our loan officer at German American Bank, this would not of been possible for us to do. It is the largest investment we have made in our future and I believe it is totally necessary in order to have a future."**

Indiana Statewide Certified Development Corporation

Permanent fixed-rate equipment financing for

Fisher Tool & Design

Evansville

In participation with

German American Bank

Evansville



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Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing
for

Ashley Furniture Homestore

Kokomo

In participation with

First Farmers Bank & Trust

Kokomo



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What's the top selling furniture brand in the world? Ashley Furniture Homestores. Beginning in 1945 with sales offices in northern Indiana and Chicago, Ashley now has 500 independently-owned stores and more than a half-dozen furniture factories. Nine stores are in Indiana, including the new Ashley Furniture Homestore on the south edge of Kokomo owned by Ken Lucas and Mark Heredos.

Lucas and Heredos built their store with assistance from SBA 504 financing through First Farmers Bank & Trust and the Indiana Statewide CDC. Their Ashley Furniture Homestore employs 20 people. It's next door to Lucas Home Furnishings, a store Lucas and Heredos opened 11 years ago. Cary Mawbey of First Farmers says, **"This is a strong, local company and a success story for two business partners with long experience in the furniture industry. The 504 loan allowed them to expand their business. They are creating jobs and attracting people to the community as a destination point for a well-known product."**

Lucas says, **"The SBA 504 loan works very well for us. It allows us to take advantage of a great opportunity. Ashley is on a major expansion program and we capitalize on their name recognition and promotional assistance."**

Paragon Casket of Richmond is a six-year-old distributor of high-quality caskets from a dozen manufacturers. Paragon entered manufacturing in 2013 by buying another Richmond company, Romark Industries.

Paragon owner Lenny Ball obtained an SBA 504 loan from First Bank Richmond and Indiana Statewide CDC to help finance the purchase after Romark owner Danny Sullivan retired.

Romark has manufactured caskets since 1984, and its caskets were included in Paragon's inventory. Ball says, **"Consolidating Paragon and Romark will make us more competitive in challenging times for casket makers and distributors."** Ball says fewer than three dozen casket manufacturers remain in the U.S. compared to about 500 in 1970.

Paragon moved its staff from leased offices to Romark's 51,000 square-foot plant on Richmond's south side and is keeping Romark's approximately 30 employees. A dozen more may be added in 12 to 18 months. William Glunt of First Bank Richmond says, **"This is a good match. The SBA 504 loan requires Lenny to make a down payment of less than the 20 percent we would require on a conventional loan, so this allows Lenny to direct more of his working capital to the company."**

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage & equipment financing for

Paragon Casket

Richmond

In participation with

First Bank Richmond

Richmond



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The Polygraph Group built and moved into a new building in Noblesville this year, allowing its four employees to expand services to clients in the midwest.

Mark James founded the company 13 years ago in Anderson after retiring from the Indiana State Police. He says the Polygraph Group works with most county prosecutors and police departments in Indiana and others in surrounding states. James and other trained polygraph technicians working for the company administer the tests, and they also train polygraph operators who work for their clients.

A polygraph, commonly known as a lie detector, measures and records physiological responses such as blood pressure, pulse, respiration and skin conductivity while the subject is asked and answers a series of questions.

The Polygraph Group obtained financing from the SBA 504 loan program through The Farmers Bank and Indiana Statewide CDC.

Larry Miller of The Farmers Bank says, “**The SBA 504 loan provided an unbeatable long-term fixed interest rate.**”

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage & equipment financing for

Charlie's Convenience Store

Mishawaka

In participation with

1st Source Bank

South Bend

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Julie Brant Gordon found clients ready for her help when she opened The Hope Source in 2007. The Hope Source treats and educates children, adolescents and young adults with autism. In 2013, an SBA 504 loan provided by The Huntington National Bank and the Indiana Statewide CDC helped her buy and expand her leased building in Castleton.

The Hope Source's staff of 28 works with 24 students from pre-school to young adult and their families. “**Not many providers serve older kids with autism,**” Gordon says. Her employees include psychologists, social workers, therapists and teachers with doctorate, masters and bachelor degrees.

Gordon says, “**We are growing our programs, but we want to stay small so we will continue to work with our students as individuals and maintain a high quality of care.**”

The Huntington National Bank's Joyce Wade Moore says, “**Julie Gordon has a successful business model that assists an ever growing group of individuals with special needs. The Hope Source's growth will also add new job opportunities for the community.**”

Gordon says, “**The loan process with the Indiana Statewide CDC and Huntington Bank was very easy and straight-forward for me. More so than even my home loan last year.**”

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

The Polygraph Group

Noblesville

In participation with
The Farmers Bank
Fishers



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Family roots planted deep in northern Indiana are helping brothers Dennis and William Rhodes build a strong business employing about 175 people.

Their company, Indiana Supermarkets, has used several SBA 504 loans to buy or expand multiple locations. The latest is Charlie's Convenience store and gas station in Mishawaka. 1st Source Bank and the Indiana Statewide CDC provided the loan, as they have on other projects.

The loan financed the construction of a new Charlie's Phillips 66 gas station, convenience store, Subway restaurant and car wash. It has 22 employees and sits at the heavily-traveled intersection of 12th and Capital in Mishawaka.

Dennis Rhodes says, “**The SBA 504 package is very important to us, and we received great service.**”

Carrie Kosac of 1st Source says, “**The 504 product allowed us to finance a project for a very strong family owned business that has been in operation for over 50 years. The 504 structure allowed the company to obtain an extended amortization and fixed rate financing on a portion of the loan, providing significant cost savings and improving the bank's collateral position.**”

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

The Hope Source

Indianapolis

In participation with
The Huntington National Bank
Indianapolis



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Kathy and Bill Conner -- and their son, Cameron -- love helping clients attract new business. In 1995, the Conners founded a marketing and promotions company in Vincennes, providing trophies, plaques, awards, engraving, promotional products and marketing services.

Several months ago, their company, Haven Solutions, an Indiana Certified Women's Business Enterprise, built and moved into a new building on land they purchased nearly 20 years ago. German American Bank and Indiana Statewide CDC provided SBA 504 construction financing.

Greg Cardinal of German American Bank says, "**Faced with finding a new location to rent or building on land they already owned in a high traffic area near Wal-Mart, they built their own building.**"

Cameron Conner says, "**It was not a difficult decision, and the SBA 504 loan is great. The Indiana Statewide CDC and German American Bank are cooperative and knowledgeable. It was a smooth transaction.**"

Cardinal adds, "**The Conner family used equity they had already without having to put additional cash in the project. They locked in the Indiana Statewide CDC loan on a 20-year fixed rate while interest rates are still at historically low levels.**"

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Haven Solutions
Vincennes

In participation with
German American Bank
Indianapolis



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Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Beech Grove Firearms
Beech Grove

In participation with

Bloomfield State Bank
Greenwood



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Beech Grove Firearms sells a variety of pistols, rifles and shotguns. It expanded by building onto the structure it already owns, adding a 12,000 square-foot indoor shooting range with 20 lanes and an adjoining classroom.

Beech Grove Firearms President Greg Burge said "**This is a great opportunity for the public to experience shooting in a safe, clean, climate controlled range environment year round. We use our classroom for firearms safety, familiarization, and hunter education training classes for men, women and children.**"

Bloomfield State Bank and Indiana Statewide CDC provided SBA 504 financing to Beech Grove Firearms for the project.

Chad Riddle of Bloomfield State Bank says, "**The SBA 504 loan was a perfect fit because the attractive fixed rate and a down payment of only 10 percent allowed the borrower to meet their financial needs. The process was very efficient and everyone at the Statewide CDC was great to work with.**"

Majestic Stone Imports accomplished dual purposes of improving manufacturing and saving money when it bought and moved into a new building.

CEO Robert Brown obtained two SBA 504 loans through MutualBank and the Indiana Statewide CDC. With one, he bought and renovated a building on the east side of downtown Indianapolis. He purchased new equipment with the other loan.

Brown says, "**The SBA 504 loan allowed us to purchase a building that is logically superior to our former location and lowers our facility costs by 30 percent.**"

Majestic Stone was formed in 2007. The company fabricates and installs natural stone structural and decorative features for commercial and residential locations. It uses granite, marble, onyx, slate, limestone, travertine, quartz and recycled products.

Majestic Stone employs 17 people, adding four since moving into the new building earlier this year. Chris Caldwell of MutualBank says, "**We worked as partners with Indiana Statewide, the SBA and our clients to access low cost funding at a long-term fixed rate. This, combined with our funding, helps clients purchase fixed assets while preserving cash for operations.**"

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage & equipment financing for

Majestic Stone Imports
Indianapolis

In participation with
MutualBank
Indianapolis



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Indiana Statewide Certified Development Corp.

Fourth Quarter 2013



Midwest Eye Consultants expanded its group of optometrists and ophthalmologists by opening a new, large office on the south side of Indianapolis; the company's 28th location in Indiana. Founded in 1996, Midwest Eye optometrists, ophthalmologists and technicians perform eye exams, prescribe glasses and contacts, and treat a variety of eye conditions including macular degeneration, cataracts, glaucoma and dry eye.

Financial Center Federal Credit Union and the Indiana Statewide CDC provided SBA 504 financing for the project, working with Dr. Gregory Garner, O.D., co-founder and president & CEO of Midwest Eye Consultants.

Ken Yedlick of Financial Center Federal Credit Union says, "**This is a great project because it consolidates an existing practice and opens a new location in a growing area that needs the services of an eye practice. We enjoy working with the Indiana Statewide CDC and this 504 loan fills an absolute need.**"

Dr. Garner says, "**The stability of the low, long-term fixed rate was important. Also, the collaboration between Financial Center Federal Credit Union and the Indiana Statewide CDC really provided a seamless experience for me.**"

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Midwest Eye Consultants Indianapolis

In participation with
Financial Center Federal Credit Union
Indianapolis



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Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Hoosier Patterns Decatur

In participation with
First Merchants Bank
Decatur



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The future arrived this autumn at Hoosier Pattern in Decatur. "**We're very excited about the newest machine in our shop,**" says Keith Gerber, owner and president of Hoosier Pattern. "**It's an ExOne 3D sand printer. It allows us to rapidly prototype very complex parts and deliver in a matter of days rather than weeks.**"

Gerber used SBA 504 financing for the 3D printer, the building housing it and an overhead crane with a loan from First Merchants Bank and Indiana Statewide CDC. Dean Fuelling of First Merchants says, "**Hoosier Pattern is an experienced, profitable company. The loan structure is a good opportunity to mitigate some of the risk for Hoosier Pattern and our bank because the SBA 504 allows Keith to amortize the loan over a longer period of time, increasing his likelihood of success.**"

Gerber says, "**The loan process was well coordinated by the combined team from the Indiana Statewide CDC, First Merchants Bank and the SBA. I felt that the team was very supportive and encouraging of our vision.**"

Hoosier Pattern opened in 1997. Currently with 31 employees -- including two added when the 3D printer was installed -- Hoosier Pattern provides tooling for foundries serving agriculture, and auto and appliance manufacturing.

Two generations of parents have brought their children to Dr. Jeffrey Rector's pediatric dental practice in Muncie. In recent years Dr. Rector has added sons Adam and Bryan to the practice. Son Jon joins in July.

Now known as Rector Dental Group, the practice has three dentists and 26 staff members and welcomes patients of all ages. When the Rectors needed more space, they used an SBA 504 loan from STAR Financial Bank and the Indiana Statewide CDC to expand and remodel.

Dr. Jeffrey Rector says, "**I love it. The SBA 504 loan helped me conserve cash for other needs. Not only that, we built on site without interrupting our work. Now, we have four times the space. Our staff hopes each patient visit is a positive experience, and our beautiful new building helps achieve that.**"

Trent Dowling of STAR Financial says, "**The Rectors have a really nice facility and their patients like it. The long-term fixed 504 rate and low down payment helped them add several good features.**"

The Rector Dental Group offers sedation dentistry, cosmetic dentistry, implants, teeth whitening, emergency services, and preventative dentistry such as regular periodontal cleanings. All three doctors (make that four) are graduates of the IU School of Dentistry in Indianapolis.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Dr. Jeffrey Rector Muncie

In participation with
Star Financial Bank
Muncie



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Indiana Community Business Credit Corp.

Fourth Quarter 2013



New Funding

FosTech Outdoors is a small family owned company in Columbus with about a half-dozen employees.

The company manufactures outdoor and sporting goods products. They specialize in sporting rifles, shotguns, and tactical gear, including a line of billet aluminum stocks for AK-47 and AR-15 weapons. Its new product is a line of bump fire stocks, aiding semi-automatic firearms in simulating the discharge of automatic weapons used by the military, law enforcement personnel and private collectors.

Brothers Mark, David and Judd Foster started FosTech two years ago. Mark owns an older Columbus company, Hoosier Tool & Die.

On FosTech's website, Judd Foster says, "**We love to hear our customers' stories about their experiences with our equipment. If you are using it and it works, we want to hear from you.**"

FosTech expanded from a loan Indiana Community Business Credit Corporation, with First Merchants Bank as the primary lender.

Adam Treibic of First Merchants says the Credit Corp. funding is helping FosTech ramp up production, "**This is an opportunity to assist an Indiana manufacturer. We think the company will grow and provide new jobs for local people. That's what a community bank should do,**" Treibic says.

Indiana Community Business Credit Corp.

Growth capital for

FosTech Outdoors
New Paris

In participation with
First Merchants Bank
Greenwood



ICBCC managed by:
Cambridge Capital Management Corp.



Indiana Motorsports Improvement Fund aims to jump start racing industry

Sure, you know about the Indianapolis Motor Speedway. But did you know Indiana has more race tracks per capita than any other state? That's a fact, and Indiana is hoping to take advantage of it with a fund established by the legislature to invest in Indiana-based motor sports companies. Cambridge Capital Management Corporation is administering the fund, working with the Indiana Economic Development Corporation.

The legislation, signed by Governor Mike Pence in May, establishes the Indiana Motorsports Improvement Fund, a \$5 million revolving loan fund. Companies that manufacture racing components, race tracks, and racing teams are eligible to apply for the loans. More than 1,200 motor sports companies, employing over 23,000 Hoosiers, call Indiana home.

Interested loan applicants should start with their local lender. Local lenders will provide 50 percent of the needed financing and the next 40 percent will be available from the Motorsports Improvement fund. Each applicant will be required to have a minimum 10 percent down payment toward the project.

By the way, that big racetrack on the westside, the Indianapolis Motor Speedway, is not eligible for loans from the new Motorsports Improvement Fund because the legislature established a separate loan for the IMS that was signed into law at the same time.

"The General Assembly clearly recognizes the economic significance of Indiana's motor sports industry and the Indiana Economic Development Corporation (IEDC) is pleased to play a role in supporting it," says Eric Doden, President of the IEDC. **"Cambridge Capital's expertise in small business lending will help the IEDC ensure that the funds are leveraged to the maximum value."**

Jean Wojtowicz, president of Cambridge Capital Management, says, **"Racing is not only part of Indiana's culture; it is a major job-creator. And, everyone who drives uses auto technology developed by companies in Indiana. We are excited to help manage a program that will grow the profile of motor sports even more."**



LYNX Capital Corp.



Cambridge Ventures LP

Lynx Capital Corp.

Provided growth capital to:

New Orleans on the Avenue

Indianapolis



LYNX managed by:
Cambridge Capital Management Corp.

The past is present in New Orleans on the Avenue. You can taste it in the restaurant's food. Hear it in the music. And see it in the art along the walls.

The "avenue" in the restaurant's name is Indiana Avenue. Its jazz and blues clubs were once a significant contribution to Indianapolis' culture. The area is now on the doorstep of the modern IUPUI campus. New Orleans on the Avenue is adding back some of the cultural spice in the form of a Southern Creole restaurant and related atmosphere.

Lynx Capital Corporation is assisting the growth of New Orleans on the Avenue with financing. Lynx lends capital to promising minority-owned firms in Indiana with at least five employees.

Bridget Brown says, "**We appeal to a clientele interested in a unique dining experience with a Louisiana twist. We have great food and great atmosphere."**

"**I appreciate Lynx's confidence in our success, and they are helping us realize it,**" says Ms. Brown

Civic Science is a company that knows what people think. When their clients have important questions, on favorite brands, TV shows, social issues and nearly anything else, Civic Science answers them. The company started six years ago in Pittsburgh, based on research that originated with Carnegie Mellon University. Cambridge Ventures originally invested in the company in 2010 and recently participated in another round of capital raising for the company.

"We have continued to be impressed with the traction this company is getting. They are doing work with large companies like T-Mobile, General Mills, Visa and other headline companies. When the existing institutional investors decided to put more capital into the company to accelerate its growth – we decided to increase our commitment to the company as well" says Jean Wojtowicz of Cambridge Ventures and Civic Science Board Member

Civic Science is a polling and data mining company. It partners with hundreds of websites, social networks and digital and mobile applications to survey millions of anonymous people every week. Civic Science's respondent database includes more than 14 million consumers who have answered over 200 million poll questions since 2010.

Information is available to clients as often as every day. Civic Science's daily tracking survey includes over 3,000 questions about leading brands, media, social and political issues, lifestyle trends and demographics.

Cambridge Ventures LP

Provided growth capital to:

Civic Science

Pittsburgh, PA



CVLP managed by:
Cambridge Ventures , Inc

Cambridge Capital Management Corp.

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