



Portfolio News

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

Cambridge Capital
Management Corp.

Fourth Quarter 2018

The Farmers Bank, Kentland Bank among winners as Indiana Statewide CDC wraps up 2018 “We can’t do it without you”

The Farmers Bank of Frankfort is Indiana’s Small Business Lender of the year!

As many of you know, Indiana Statewide CDC works with lenders every day to bring affordable SBA 504 financing to men and women who own and operate small businesses in Indiana.

At the end of the fiscal year, September 30, we take stock of the progress we’ve all made in fueling small businesses and creating jobs. The “we” in this case are the lenders who ask us to help them provide SBA 504 loans to their clients.

The small business lender of the year is the Indiana bank devoting the largest percentage of its deposits to SBA 504 small business loans with Indiana Statewide CDC. At our annual meeting in December, The Farmers Bank President and CEO Karen Gregerson, VP Alan Oyler and SVP Brad Cunningham were surprised with — and accepted — the award.

Runner-up for this year’s Lender of the Year award is Kentland Bank. Craig Hooker accepted the award for the bank.

Twenty-two other banks competed for the award. Several other banks and individuals were honored at the meeting.

First Merchants Bank generated the most SBA 504 debenture dollars (money raised by private bonds SBA sells to finance part of a loan). First Merchants Bank had six loan approvals for \$5.4 million in debenture dollars.

German American Bank tied with First Merchants for the most SBA 504 loans approved, with six loans.

The individual banker with most SBA 504 loan debenture dollars was Brian Burrell of Huntington National Bank with one loan for \$2.7 million.

The individual banker with most SBA 504 loan with Indiana Statewide CDC: a four-way tie with two loans apiece;

Greg Cardinal of German American Bank
Chuck Fippen of First Internet Bank
Ben Hutchins of Fifth Third Bank
Ken Yedlick of Marine Bank

The bank awards recognize teamwork. There was proof of these successful collaborations back in October when the SBA announced that Indiana Statewide CDC led Indiana CDCs in 2018 by providing 50 SBA 504 loans totaling \$35.8 million to companies across Indiana. The loans created or saved approximately 550 jobs. And some of those jobs are probably just down the street from you.

Twenty four Indiana banks participated with Indiana Statewide CDC on the loans. These projects totaled more than \$97 million when taking into account the bank portion and the borrower’s down payment. Companies receiving the loans include small manufacturers, software engineers, medical and law practices, retail and service providers.

The US Small Business Administration says that eight Indiana CDCs made 160 loans for a total of over \$97 million in 504 financing in 2018. Indiana Statewide provided 31 percent of the number of SBA 504 loans and 37 percent of the dollars in Indiana.

We are grateful for your support and confidence. And we look forward to working with you in 2019! You are the local bankers who allow us to put “statewide” in our company title.”

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>2018</u>	<u>10-yr.</u>	<u>20-yr.</u>	<u>25-yr.</u>
October	—	5.49	5.53
November	5.59	5.59	5.64
December	—	4.93	4.99

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Indiana Statewide Certified Development Corp.

Fourth Quarter 2018



A bright, large BP Grab n' Go on West Main Street in Greensburg replaced the store that had been a decades-long fixture for refueling, both personal and automotive.

Owner Jaspreet Gill says that his new gas station and convenience store, now open a little over one year, is a "full-fledged store." At 6,000 square-feet — more than double the size of the building it replaced — it includes a kitchen for short-orders, chicken and pizza.

Gill's SBA 504 financing came from Napoleon State Bank and Indiana Statewide CDC. Gill says, **"The 504 loan is the key to our whole project. The fixed-rate on our loan repayments never changes, so it will help me with my budget every month."**

Joe Moorman of Napoleon State Bank says, **"This is a big construction loan for our bank, and we could not have done it without the SBA 504 program. It is good for the borrower and good for the bank."**

Greensburg motorists are now experiencing one of the most modern gas and convenience stores in the area. And up to eight jobs created or saved with the SBA 504 program.



Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Grab N Go
Greensburg, IN

In participation with
Napoleon State Bank
Greensburg, IN



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Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Med-Mizer, Inc.
Batesville, IN

In participation with
PNC Bank
Indianapolis, IN



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Med-Mizer, a designer and manufacturer of medical equipment in Batesville, is expanded its production facilities with a loan from the SBA 504 program. PNC Bank and Indiana Statewide CDC provided the loan.

Vice President and CFO Dustin Tekulve says, **"Med-Mizer's expansion brought on about 10 new employees, boosting the company's total to around 50."**

PNC Bank's Dawn Morris says, **"This SBA 504 loan allowed the customer to inject a lower down payment and gain a longer, fixed-rate repayment option."**

Tekulve says, **"The 504 is great! It gives us the ability to invest more and grow faster."**

One of Med-Mizer's key products is the Flex-Tilt Chair that allows flexible seating positions, reducing patient discomfort during treatment by caregivers and while sitting. The company also manufactures beds and other rehabilitation equipment for hospitals, nursing homes, rehabilitation facilities and home care in the US and Canada.

Tekulve says, **"We are a small company building high-quality products right here in Batesville, Indiana. We are focused on long term growth of our American-made products in the healthcare industry."**



A small engineering and manufacturing firm succeeds by meeting customer needs quickly and expertly. Investments in the latest technologies have helped fuel the growth of a small firm from its inception to quadrupling its employment in 15 years.

The owners of this tool and engineering firm used SBA 504 financing from German American Bank to refinance debt and make room for continued equipment purchases.

Ashley McCreary of German American says that the low SBA 504 down payment requirement and long-term fixed rate help the bank's small clients compete with larger companies that have easier access to affordable financing.

The SBA 504 financing has helped save and create more than two-dozen jobs in that one small town alone.



Indiana Statewide Certified Development Corporation

Fixed Asset Debt Refinancing for

Tool & Engineering Firm
North Vernon, IN

In participation with
German American Bank
North Vernon, IN



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Indiana Statewide Certified Development Corp.



Fourth Quarter 2018

Russiaville is a small community in Howard County, but Steve and Kristy Jones have turned it into a destination of sorts.

The Jones' own Tri-County Auto and Tri-County Travel Trailers in Russiaville. Their dealerships sell new and used vehicles and their website claims Tri-County is the fastest growing travel trailer dealership in Central Indiana three years in a row.

The Jones' sought SBA 504 financing when they needed to expand. They stayed in Russiaville, opening a new and larger dealership with their SBA 504 loan from First Farmers Bank & Trust and Indiana Statewide CDC.

Cary Mawbey of First Farmers Bank says, **"The company ran out of space at its prior location. This is a more visible, new location with more space for inventory and an updated service department."**

First Farmers frequently utilizes SBA 504 loans for its clients. **"They allow us to give clients another financing option that would not be available with conventional financing,"** Mawbey says.

Tri-County draws customers from Kokomo — that is just a few minutes away — Indianapolis and Lafayette, each an hour's drive putting Russiaville on more maps, or GPS systems, than before.



Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Tri-County Auto Group LLC
Russiaville, IN

In participation with
First Farmers Bank & Trust
Kokomo, IN



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Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Trainor Associates, Inc.
Noblesville, IN

In participation with
Fifth Third Bank
Medina, OH



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Manufacturers' representatives Trainor Associates was established in 1981 and incorporated in 1983.

It currently represents 20 lines, selling commercial construction related products such as fasteners, tools, safety equipment, lasers, ladders and woodworking products.

Trainor Associates distributes throughout Indiana, Ohio, Kentucky, Michigan, West Virginia, and Western Pennsylvania.

Owner Ian Jones arranged for SBA 504 financing from Fifth Third Bank's Scott Miller and Indiana Statewide CDC. The company purchased the land and building Trainor Associates has been renting.

The loan allows the borrower to build and manage future occupancy expense while maintaining liquidity to fund ongoing short-term working business needs.



Donald and Frances Hull started Hometown Comics and Games as a part-time venture. In 2013, the husband-and-wife duo went full-time. This autumn, Hometown Comics opened its third store in Greenfield. Each store has been larger than its predecessor, and this is the first time the Hulls have owned their building.

Frances Hull says the new Hometown Comics store is near downtown Greenfield and more visible than its previous location farther north on Main Street. The Hulls used a loan from the SBA504 program through Greenfield Banking Company and Indiana Statewide CDC to buy and remodel their building.

Greenfield Banking Company's Greg Woods says, **"This is an ideal community bank loan. Hometown Comics is not a franchise, it is locally owned and operated. The SBA 504 loan allows us to help a small, local job-creator."**

Frances Hull says, **"The 504 loan helped the bank say, 'yes,' because part of the loan is coming from the sale of a bond guaranteed by the SBA."**

Donald and Frances (and co-owner and daughter, Adrianna) have five part-time employees. The store has a game and is affiliated with Konami Tournaments, Wizards of the Coast and Pokemon leagues.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Hometown Comics & Games, Inc.
Greenfield, IN

In participation with
Greenfield Banking Company
Greenfield, IN



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Indiana Statewide Certified Development Corp.

Fourth Quarter 2018



ALA Trucking's business was growing so rapidly that it required a headquarters upgrade. So, owners Alan Adams and Paul Fogle found a former lumber yard on Anderson's south side.

ALA is an 11-year-old freight company that ships commercial and consumer products for manufacturers and distributors nationwide. It was a big job to convert the "old" into a new corporate headquarters, warehouse, truck service center and a truck parts store. But ALA accomplished the feat with SBA 504 financing from First Merchants Bank and Indiana Statewide CDC.

The SBA 504 loan helps ALA Trucking in two ways, says Fogle. **"The 504 program helps us with having a competitive interest rate and a lower upfront capital requirement than conventional financing. This allows us to fulfill our business space needs sooner and expand our business quicker than other financing methods,"** he says.

An early post-expansion result was the addition of ten employees, bringing the company total to 43.

Aaron Reger of First Merchants says, **"First Merchants is excited to partner with ALA on this project. The SBA 504 loan allows them to conserve cash as they continue to grow as well as provide a much better location for their planned business model diversification."**

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

ALA Trucking, Inc.
Anderson, IN

In participation with
First Merchants Bank
Anderson, IN



ISCDC managed by:
Cambridge Capital Management Corp.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Best Western Plus & Super 8
Gas City, IN

In participation with
Marine Bank
Indianapolis, IN



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Mukesh Patel and his wife, Bina, bought two hotels near Gas City this year with SBA 504 financing from Marine Bank and Indiana Statewide CDC.

The hotels — Best Western Plus and Super 8 — are just east of the I-69/US 35 exit for Gas City. The hotels have been open several years.

Mukesh Patel says substantial new investment has grown up around the interchange in the last five years from companies such as American Woodmark, AVG North America, Butterworth Industries, Walmart, Earthwise Plastics and Payne's Restaurant. Patel says they give his hotels a big boost. And the hotels' clientele also includes people visiting nearby Taylor University, Indiana Wesleyan University and General Motors in Marion.

"Our goal is to expand in the hotel business," says Patel. **"Our 20-year fixed-interest rate with the SBA 504 loan helps us plan our expenses for these hotels and, hopefully, look to the future."**

Kenneth Yedlick of Marine Bank says, **"We are pleased to work with the Patels. As on-site owners they bring local stability to these hotels. And the terms of their 504 loan help them operate the hotels and make improvements to the properties."**

Thirty-five years ago, a family of stone cutters and stone carvers started Indian Creek Stone Products. It quickly became a leading supplier of southern Indiana weathered sandstone, field stone, ledge stone, cast and tumbled stone.

It is a rare company that handles the stone from ground to final product. Indian Creek Stone can now be found in and around homes in Indiana as building veneers, benches, retaining walls, pavers and custom signs.

Indian Creek currently operates a limestone quarry and two mills. Owner Thomas Kimmel worked with German American Bank and Indiana Statewide CDC on SBA 504 financing to purchase an existing, vacant, limestone fabrication facility. The property includes four buildings totaling over 26,000 square feet. Most of the space will be Indian Creek's custom stone cutting and slab production workshop.

Indian Creek may hire three sawyers and two general laborers as a result of the expansion.

Joshua Stolz of German American says, **"The 504 program allows Indian Creek Stone to expand their operations in a specialized field. And the borrower knows they are getting beneficial loan terms while meeting the bank's requirements."**

Stolz adds, **"Statewide CDC provides a helpful checklist for the borrower and bank to know exactly what info is required. They help with every step along the way."**

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Indian Creek Stone Products, Inc.
Mitchell, IN

In participation with
German American Bank
Montgomery, IN



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Indiana Community Business Credit Corp.

Fourth Quarter 2018



Success Story: Circle Design Group

It is the job of Circle Design Group to create buildings that make a powerful statement while working for their clients. New Indianapolis landmarks such as the Sidney & Lois Eskenazi Hospital and Cummins Engine Indianapolis Distribution Center are good examples.

Circle Design Group used growth funds from the Indiana Community Business Credit Corporation and Lake City Bank as a building block. And it successfully repaid the Credit Corp. mezzanine fund and Lake City Bank in the fourth quarter of 2018.

Circle Design Group has provided engineering consulting services for more than 35 years. It's work includes facilities for health care, businesses, manufacturing, technical services, residential and sports facilities. These include facilities for amateur athletes — such as the CityWay YMCA in downtown Indianapolis — and for professionals such as additions to the Indianapolis Colts complex.



Community Investment Fund of Indiana

Community Investment Fund of Indiana appoints Philip McCandies as Northwest Indiana small-business development officer

Owners of small businesses in northwest Indiana have a new advocate. Philip McCandies has been named as Regional Business Development Officer in Lake County for the Community Investment Fund of Indiana (CIFI).

CIFI loans funds to Indiana's smallest businesses. McCandies' work involves counseling small-business owners in developing business plans and preparing to apply for and use financing to grow and sustain their business. His office is in the GreenCow Co-working space in Hammond. The office can be reached via phone at 219-779-7870 or email at pmccandies@capitalizingindiana.org

CIFI is co-managed by Cambridge Capital Management Corp. CIFI provides loans and access to community development services to small businesses, low-income individuals, economic development groups and housing developers in low-and-moderate income areas of Indiana. CIFI is a private non-profit lender funded by banks and other members of the Indiana business community.

Banks can get a CRA Credit for investing in CIFI. CIFI has loaned \$2.6 million to more than 30 Indiana companies, creating or saving over 100 jobs.

McCandies is a PhD. candidate at the Chicago School of Professional Psychology. He is a graduate of the College of Charleston (SC) and is a former professional basketball player in Europe. McCandies and his wife live in Lake County.

Phil Black is CIFI executive director. CIFI's office is located at Cambridge Capital Management in Indianapolis. Black may be reached at philblack@capitalizingindiana.org



Check out our website at www.cambridgecapitalmgmt.com

Cambridge Ventures, LP



CivicScience receives fresh investment from Cambridge Ventures

The leaders of Apple or T-Mobile worry about what people think about their companies. CivicScience tells them quickly.

Founder John Dick had this idea in 2007: traditional polling and data gathering techniques weren't cutting it anymore. Social media could be organized and evaluated to give a clearer picture of people's thinking.

Development of its current fast, sophisticated and democratic polling solution took years. But now CEOs are able to get a tap on the shoulder and a reliable voice that says, **“Hey, here’s what we found out.”**

Cambridge Ventures L.P. was an early investor. CVLP’s newest input of working capital comes as a \$1 million, five-year note. It will assist CivicScience’s current work and ability to take advantage of significant new opportunities.

CivicScience continues to gain traction. It had a record year in 2017 and surpassed 75 percent of that year’s revenue in the first six months of 2018.

Client renewal is above 90 percent from heavyweights such as Google and United Healthcare.

CivicScience is a reliable source of customer opinion and expectations. And it’s also expected to be a good return on investment for Cambridge Ventures.

Cambridge Capital Management Corp.

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