



Portfolio News

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

Cambridge Capital
Management Corp.

Fourth Quarter 2019

Greenfield Banking Company is Indiana's 2019 Small Business Lender of the Year

We were fortunate to be able to honor several banking partners at the Indiana Statewide CDC's annual meeting in December. These recognitions would not take place without the hard work and commitment of every person reading this newsletter. Thank you for working with us; we deeply appreciate every opportunity to partner with you.

Here are the 2019 winners:

Greenfield Banking Company is the Indiana Small Business Lender of the Year for 2019.

First Financial Bank of Terre Haute is the runner-up for the award. Twenty three Indiana Banks were in the running.

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.

Greenfield Banking's Christy Smith and Greg Woods accepted the award from Jean Wojtowicz, executive director of Indiana Statewide CDC.

First Merchants Bank generated the most SBA 504 loans with Indiana Statewide CDC, with seven loans totaling \$7.2 million in bonds sold by the SBA to finance the loans.

George Dougherty of First Merchants was the individual banker who generated the most SBA 504 loans, with two. Those two loans totaled \$5.7 million in SBA bond sales, and that number also led the state for an individual lender.

During FY 2019, Indiana Statewide CDC approved \$34.1 million in loans to 40 Indiana small business owners. The amount is the largest of any of the state's certified lenders of SBA 504 funds. The loans helped create or save approximately 680 jobs. Total investment in Indiana Statewide CDC's projects topped \$85 million; a combination of SBA 504, bank funds and down payments by the business owners.

Since 1983, Indiana Statewide CDC has approved more than \$690 million of financing for more than 1,500 Indiana companies, creating or saving

more than 27,000 jobs, and is the most prolific CDC in Indiana. These projects represent over \$1.8 billion in expansion financing for Indiana small businesses.



Pictured are: Christy Smith, Greenfield Banking Company; Jean Wojtowicz, Executive Director of Indiana Statewide CDC and Greg Woods, Greenfield Banking Company.

Indiana Statewide Certified Development Corporation

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>
October	—	3.46	3.54
November	3.93	3.74	3.80
December	—	3.58	3.64

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Powder Metal Technicians perfectly illustrates how a SBA 504 loan helps a small company grow by consolidating from five buildings into one custom-built manufacturing site.

Doug Hefley, owner and president, financed the real estate purchase and construction of Powder Metal Technicians' a new building with a 504 loan from BMO Harris Bank and Indiana Statewide CDC.

Powder Metal is now located north of Franklin. Its new building contains 14,000 square feet, more than twice that of the five buildings in southeast Indianapolis the company had cobbled together since 2001. Hefley says, "The SBA 504 loan let us build the building at a down payment we could afford."

Scott Norman of BMO Harris Bank says, "Our bank frequently uses the SBA 504 loan because it helps our small business clients get more out of their key expansion projects."

With the new manufacturing facility's robotics, machining and fabrications equipment, Hefley says Powder Metal Technicians customizes the machining of industrial component parts and rebuilds machinery in less time and with more precision. "We can also provide most of our services on a customer's site," Hefley says.

Since opening the new building, Powder Metal has added three employees, bringing the company's total to fifteen people with expertise in machining, robotics and machine set-up.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Powder Metal Technicians, Inc.

Franklin, IN

In participation with

BMO Harris Bank

Indianapolis, IN



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Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Fehrenbach Taylor Law Office

Lafayette, IN

In participation with

Horizon Bank

Lafayette, IN



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Three strong factors motivated Jennifer Fehrenbach Taylor to seek a new office for her law firm; she needed more space for her company; she preferred to own her space, and she wanted to avoid enduring the construction that her landlord planned around her rented space.

Fehrenbach Taylor bought a condo in a historic building in downtown Lafayette. She obtained SBA 504 financing from Horizon Bank and Indiana Statewide CDC for the purchase. Now, her seven-year-old law firm occupies the first floor and basement of a century-old, two-story building.

With one associate attorney, three office personnel and her new office, Fehrenbach Taylor's firm is poised for continued growth. She says, "We operate primarily in the areas of family law, landlord representation, and trademarks." Fehrenbach Taylor is also a registered family and civil law mediator.

Fehrenbach Taylor says, "The lower interest rate and lower down payment requirement made the purchase of this location possible. The service provided by Indiana Statewide CDC and Horizon Bank was excellent."

Brian Balmer of Horizon Bank says, "The SBA 504's low down payment and extended fixed repayment plan worked well for Jennifer and Horizon Bank. She met her schedule for moving and gained affordable financing."

Co-founder and CEO Tonio Torres believes once people taste Holic Foods' signature all-natural condiments, dips or sauces, they will be "naturally addicted."

That's a positive statement, because Holic cooks, packages and distributes its food products throughout the country under its own name and several house brands. Flavors are bold, with ethnic influences. A signature is Jalapeñoholic, a spicy, jalapeño-based sauce. It's a dip designed to get your attention.

Torres founded Holic with his wife, Frances. Holic progressed from an Indianapolis prep kitchen to facilities in Middletown and Noblesville in just five years. Its latest expansion, in Middletown, was financed by an SBA 504 loan from First Bank Richmond and Indiana Statewide CDC.

Torres says, "The 504 was a great solution for us. It allowed us to secure a facility, purchase equipment and renovate a dilapidated property. The program helped to make the finances make sense not only to Holic as a business, but also the partnering bank. Because of the 504 we have been able to bring our company from a small mom and pop with one employee to a much larger — with 27 employees — organization that competes on a national scale."

Austin Schultz of First Bank Richmond says, "We are thrilled to partner with Holic LLC and Indiana Statewide CDC on this project. The future is extremely bright for Tonio and Frances. We are excited to watch their business thrive and First Bank Richmond appreciates the availability of the SBA 504 program to help make it possible."

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Holic, LLC

Middletown, IN

In participation with

First Richmond Bank

Richmond, IN



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The latest features in self-storage technology are contained in True-Blue Storage, recently opened in Vincennes.

Owners Jeffrey Owens and Chris Hoover received an SBA 504 financing from German American Bank and Indiana Statewide CDC.

Owens says several of True-Blue's 150 units are climate-controlled. He adds, "We also offer the convenience of 24-hour rental and the security of a coded entry gate with security cameras that cover every inch of the facility."

Owens also says, "The 504 loan is a great program. We have a very low fixed interest rate for 20 years. Future rates are uncertain, so the fixed rate is a great foundation for us. German American and Indiana Statewide guided us through every detail of the loan."

Greg Cardinal of German American says, "With loan rates at near historic lows, this was a unique opportunity for Jeff & Chris to lock in an affordable fixed rate over the term of their loan on part of their borrowings. The down-payment requirement for their loan was also less than our usual requirement. The SBA 504 loan was a good fit for True-Blue Storage."

**TRUE-BLUE
STORAGE**

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

True-Blue Storage, LLC
Vincennes, IN

In participation with
German American Bank
Vincennes, IN



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Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Ad-Vision Screen Graphics
Evansville, IN

In participation with
**The First National Bank of
Carmi**
Evansville, IN



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As soon as construction work wrapped up on Ad-Vision Screen Graphics' new building, the 17-year-old company immediately began installing advertising wraps on customer vehicles.

Ad-Vision produces promotional products and displays including screen printing, embroidery, decals, banners, shirts and hats — as well as those colorful wraps.

Owner Gregory Gray obtained financing for constructing the new building from the 504 loan program through First Bank, Evansville and Indiana Statewide CDC.

Gray says two graphic artists are working in the new building and 15 other employees remain in the company's primary building across the street on North Hoosier Avenue on Evansville's east side. Gray says, "This new building gives us more workspace for all of our products." Ad-Vision's customers include schools, businesses and civic organizations throughout Evansville's tri-state area.

Gray says, "The SBA 504 program is great for small companies like mine. Our low-down payment and repayment plan with its fixed rate put us on equal footing with larger competitors."

Matt Whetstone of First Bank says, "Our bank uses the SBA 504 loans frequently. They add strength to our small business loan packages that we can offer to business owners."

HG Metals is a homegrown success story on Indianapolis' near East Side. In a dozen years, the company has progressed from handling only small jobs to fabricating and constructing large-scale metal work throughout the Midwest. Handrails at the Indianapolis International Airport, entrance arch to White River State Park and stairway in the Taylor University Science Hall are examples.

Owners Cynthia and Gene Gardner use loan programs administered by Cambridge Capital Management as building-blocks for their company.

Now, with 30 employees and contracts to perform significant new work, HG Metals purchased 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 a few blocks away.)

The Indiana Statewide CDC provided SBA 504 financing to assist HG Metals' purchase of the Mass Ave real estate and existing building. The Indiana Community Business Credit Corp. stepped in with mezzanine financing to help the company reduce debt and work on upcoming projects. Lynx Capital Corporation has previously loaned the company working capital to complete clients' projects.

Cynthia Gardner says, "This assistance has given us a solid foundation on which to build HG Metals."

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

HG Metals
Indianapolis, IN

In participation with
**Indiana Community Business
Credit Corp**
Indianapolis, IN



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Indiana Statewide Certified Development Corporation



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After 14 years of increasing business while leasing, Crossroad Vintners bought its office and warehouse building in northwest Indianapolis.

Crossroad Vintners distributes wine and spirits from small producers to restaurants and retailers throughout an ever-increasing portion of Indiana. Crossroad employs 20 people. Eleven are in sales in Indiana's major cities. This is up from four sales personnel in 2010. Annual sales increased in that time from \$3.5 million to an estimated \$7 million this year.

Financing from the SBA 504 program helped owners Nolan Smith and Bill Kennedy finalize the purchase of their 25,000 square-foot building. Stock Yards Bank & Trust and Indiana Statewide CDC provided the SBA 504 loan.

Smith says, **"Buying the building helps us save significant money on occupancy cost. The SBA 504's generous loan structure gives us more flexibility with our cashflow which we can use for building improvements and debt reduction in good times and for Crossroad Vintners — our main business — when times are lean. The 504 loan is also helping my partner and me build some wealth for us and our families."**

Jason Benson of Stock Yards Bank says, **"Our bank likes to offer options to our clients, and many of them choose 504 financing. From the bank's standpoint, it's a good way to help build our client portfolio and help clients reach their goals."**

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Crossroad Vintners

Indianapolis, IN

In participation with

Stock Yards Bank & Trust Co.

Indianapolis, IN



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Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

The Downtown Farm Stand, LLC

Muncie, IN

In participation with

Prime Trust Financial Federal Credit Union

Muncie, IN



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David and Sara Ring's Downtown Farm Stand attracts the buyers of organic produce and meat to Muncie's old business district.

Local producers provide many of the Downtown Farm Stand's offerings. David Ring says more than 40 area farmers and creameries — including the Rings' own Delaware County farm — supply organic vegetables, fruit, cheese and meat. If they can't get something locally, Ring says the Farm Stand buys from certified organic producers.

The Rings opened Downtown Farm Stand in 2007 in a leased, two-story building. They now own the location, thanks to SBA 504 financing from Prime Trust Federal Credit Union and Indiana Statewide CDC.

David Ring says, **"We bought the building to solidify our place in downtown Muncie. We want to provide an identifiable location for a long time to come. The SBA 504 loan helps us reach our goal."**

Lori Alexander of Prime Trust Credit Union says, **"The SBA 504 loan's long-term, fixed interest rate and low-down payment requirement significantly help the borrower, and the program also provides the lender with a 50 percent loan-to-value."**

The Farm Stand has 8-10 employees and Ring says it has pumped over a million dollars into Muncie's economy.

The new Candlewood Suites east of downtown Mishawaka offers guests amenities kitchenettes, DVD players and reclining chairs and a location close to Notre Dame, good shopping and St. Joseph Hospital.

Gurcharnjit Singh purchased Candlelight Suites with SBA 504 financing from Harvest Small Business Finance and Indiana Statewide CDC.

In each of its 70 rooms, Candlewood Suites caters to families and business travelers whether they are bound for distant places on nearby I-80 or in-town destinations. Twenty people are employed at the Candlewood Suites.

The rooms at Candlewood Suites also include luxury bedding, complementary high-speed Internet, flat-screen TVs and a work desk.

The hotel's contemporary décor reflects the comforts of a modern American home. **"Our guests are not home, but we hope they feel as comfortable here as if they were at home,"** says Singh.

Keith Nigbur of Harvest Small Business Finance says, **"This SBA 504 loan helps the hotel obtain the best long-term financing. The bank is secure with the SBA guarantee and the owner retains cash to apply to his business."**

Singh is an SBA 504 borrower for another hotel in Indiana and one each in Missouri, Wisconsin, Colorado, Utah and Idaho.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Candlewood Suites

Mishawaka, IN

In participation with

Harvest Commercial Capital, LLC

Cottonwood Heights, Utah



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Chris Komar's father, a successful CPA, told him "clients come first" when building a successful business. The younger Komar is applying this lesson to his five-year old company, Integrity Motors.

Komar's Integrity Motors became a leading pre-owned car dealer in Evansville despite operating from two leased, older car lots.

In 2019, Komar received SBA 504 financing from First Financial Bank and Indiana Statewide CDC to buy land and build what he describes as "the nicest and newest dealership in the area for an independent." He says the loan "enabled the company to triple its inventory and increase market share." Integrity Motors employs six salesmen, three lot technicians and three managers.

Darren Spainhoward of First Financial Bank says, "Mr. Komar's commitment to our community is resulting in job growth, increased revenue for our city, and more high-quality inventory for our residents and visitors. Chris' level of integrity is unquestioned, and I could not envision a more appropriate name than Integrity Motors Group!"

Komar is an enthusiastic SBA 504 borrower. "I feel lucky. I put considerably less money down than a conventional loan would have required. I would have had to wait at least another year to take this step-in order to save enough money to go the conventional route."

He adds that his 504-interest rate doesn't change. "Financially speaking it just makes sense and you will save money going with an SBA 504 loan."

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Integrity Motors Group, Inc.

Evansville, IN

In participation with

First Financial Bank

Evansville, IN



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Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Bogard Branding, LLC

Indianapolis, IN

In participation with

STAR Financial Bank

Indianapolis, IN



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Camila Bogard bought and renovated a two-story building dating back to Fort Benjamin Harrison's early years. Then she moved in her branding and online apparel companies; Bogard Branding and American Style Clothing.

Bogard renamed the 1908 brick building after its longtime owner, Marion Hall. The building now carries the title, "Marion Quarters at the Fort" It was placed on the National Register of Historic Places in 1995.

Camila Bogard used financing from the SBA 504 loan program from STAR Financial Bank and Indiana Statewide CDC to purchase and remodel the building.

Bogard says, "Having to pay a 10-percent down payment for the 504 loan instead of twice as much for a conventional loan really helps me. Also, I like the fixed interest rate and long repayment term."

Jennifer VanHandel of STAR Financial Bank says, "The SBA 504 loan is helping this community business to purchase a building with less money down, achieving their dream of ownership."

Camila Bogard founded her company five years ago and employs one person, Justin Corwin, besides herself. Bogard Branding designs and produces printed marketing products for companies in Central Indiana. Bogard's work includes displays, brochures and website design and management. American Style Clothing Company produces custom clothing, shoes, accessories, office products and home décor.



Check out our website at www.cambridgecapitalmgmt.com

Indiana Community Business Credit Corp.

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Detour American Grille has built a following in the Geist Reservoir area as a friendly local bar and high-quality family restaurant. Those strong selling points and the potential of creating a steady profit are attracting a buyer that brings Detour American Grille under local ownership for the first time.

Indiana Community Business Credit Corp. and STAR Financial Bank assisted with working capital to help the buyers get Detour American Grille up-and-running, says Keith Reilly, the new operator of Detour. Reilly is a principal of MKD, LLC is a Central Indiana group of investors that purchased the restaurant.

Reilly operates O'Reilly's Bar & Grill in Downtown Indianapolis, Speedway and Greenwood. These highly successful restaurants were initially funded, in part, with loans from the Credit Corp,

Reilly reviewed Detour American Grille's menu and kitchen staff and says they are great and are important components of the restaurant's appeal. He says Detour employs about 25 people, most of whom worked for the former owner. The restaurant remained opened during the ownership transition.

Mike Constable of STAR Financial Bank says the Credit Corp. involvement was the key factor in creating a financial package that will continue and improve the Detour American Grille's performance.

Indiana Community Business Credit Corp.

Provided Growth Capital For

Detour American Grille
Indianapolis, IN

In participation with
STAR Financial Bank
Indianapolis, IN



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Management Corp.**

DETOUR AMERICAN GRILLE & BAR

Indiana Community Business Credit Corp.

Provided Growth Capital For

Netfor, Inc.
Indianapolis, IN

In participation with
First Merchants Bank
Indianapolis, IN



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Based in Fishers' Technology Park, Netfor sets up and operates call center and help desk support, order fulfillment and field services for companies. Netfor says it works around-the-clock, every day of the year on behalf of its clients.

It works for large and small private and public companies. It helps them reach customers around the corner and across the globe. Netfor's client list also includes government agencies. An example is the Indiana Secretary of State, for whom Netfor developed procedures to support the INBiz call center.

To support its own growth, Netfor CEO & Founder Jeff Medley's team received a funding of working capital from Indiana Community Business Credit Corporation. The funding is helping Netfor meet new and expanded client business.



NETFOR

Check out our website at www.cambridgecapitalmgmt.com



Huntington National Bank Invests in LYNX Capital Corp.

Lynx Capital Corporation received increased support from Huntington National Bank recently in the form of an additional \$50,000 investment.

Huntington's involvement in Lynx goes beyond investment. Huntington's John Corbin serves on Lynx's 14 member board, along with representatives from five other banks and eight other organizations.

So far, Lynx has raised \$7.5 million from 21 investors. We appreciate every volunteer and investor. Without them, Lynx would not be successful in providing growth capital to Indiana minority-owned businesses. Since 1991, Lynx has provided \$22.5 million to 88 companies.

Please look around for minority-owned businesses that Lynx could help. Businesses receiving Lynx capital must be at least three years old, with a minimum of five employees and needing to fund at least \$75,000.



Community Investment Fund of Indiana

Fourth Quarter 2019



Cambridge Capital Management Corp.

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Fifth Third Foundation awards grant to Community Investment Fund of Indiana

Fifth Third Bank's Foundation recently awarded a \$50,000 grant to the Community Investment Fund of Indiana (CIFI). Fifth Third Foundation's Carol Wright says the grant is from the Foundation's Strengthening Our Communities Fund.

The new grant from Fifth Third adds more funding strength for CIFI's outreach to Indiana's smallest businesses.

Phil Black, CIFI's executive director, says CIFI has funded over \$3.4 million in 19 counties since its inception in 2016. **"CIFI loans operating and expansion capital to Indiana businesses that may not qualify for conventional financing or may need additional funding to support growth. Most borrowers are minority-owned, women owned businesses, or those businesses owned by low to moderate income individuals. The loans may range from \$10,000 to \$50,000. These loans are important to our small businesses but not obtainable from conventional lenders,"** Black says.

CIFI is a non-profit, Certified Community Development Financial Institution funded by federal and state agencies and Indiana banks. The new funding from Fifth Third's foundation and a recent grant from Lake City Bank are good examples.

CIFI is co-managed by Cambridge Capital Management Corp.