



Portfolio News

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

Cambridge Capital
Management Corp.

First Quarter 2019

Hoosier sock steps to success with SBA 504 funding

We want to share a wonderful small-business success story with you.

Sharon Rivenbark began knitting novelty socks on an antique sock-knitting machine in Helmsburg — a tiny Brown County town, three decades ago. She obtained SBA 504 financing from Indiana Statewide CDC in 1998 so her company could buy a building.

In that building, Rivenbark — and her son and four daughters — built the company she named For Bare Feet. Beginning with a sale to Indiana University's book store, they found markets for their creative, brightly colored novelty socks with colleges and sports teams.

Now, For Bare Feet custom socks cover a lot of feet. Bare Feet is now known as FBF Originals. Its client list includes the National Football League, the National Hockey League, hundreds of professional and college teams, NASCAR and companies such as Hershey and Wrangler. There are hundreds of designs commemorating holidays, hobbies and just for fun that you and I can buy online or in one of FBF's six stores.

A fire in 2011 forced the company to relocate to a still-larger facility in Martinsville. Employment knitted its way up to a current payroll of 110 people.

In March, Rivenbark and her family sold the company to Taglich Private Equity of New York, which says it will invest in FBF's future growth. The employees stay on and Rivenbark's youngest daughter, Kelly Baugh, remains as CEO.

The 504 loan to FBF in 1998 gave the small company long-term financing it could not find elsewhere and its favorable structure was critical to both the company and the local bank.

Congratulations to the Rivenbark family — this is a Hoosier success story — and an inspiration to any small-business owner.

Almost every small business needs a loan to grow. Helping those companies is part of your bank's mission. Many of you have worked with us on SBA 504 loans, or on financing through one of the other programs you may access through Cambridge Capital Management Corp.

There's the Indiana Community Business Credit Corp. It's a pool of risk capital fueled by more than 30 Indiana banks. Thanks to you, we've helped dozens of companies with mezzanine loans from this fund.

The Lynx Capital Corporation is our statewide minority business lending program. A great Lynx borrower is profiled in this newsletter. Maurice Dunn, owner of The Carpenter's Son Construction, was once living in an abandoned building in Chicago. Then he was adopted by an aunt in Indianapolis and completed Broad Ripple High School and Purdue University. Lynx recently helped him consolidate past financing made necessary by a slow-paying customer. Though his background is not necessarily typical, Dunn is an inspirational person — one of many who is helping build success with Lynx financing.

Our newest program is the Community Investment Fund of Indiana. CIFI issues small loans to the smallest Indiana businesses that are often located in dense urban, or extremely rural locations. Banks participating with CIFI may receive Federal Community Reinvestment Act (CRA) credits.

And, Cambridge Ventures LP is our long-standing venture capital firm with interest in a wide variety of businesses in and near Indiana.

You can access any of them at www.cambridgecapitalmgmt.com. Or by calling us at (317) 843-9704. We hope to continue to earn your trust. We enjoy working with you in helping small companies succeed.

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>
January	5.06	4.76	4.88
February	—	4.65	4.77
March	4.63	4.59	4.74

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Indiana Statewide Certified Development Corp.

First Quarter 2019



Revery is an American-style restaurant using local food sources. Open just four years, Revery is helping attract people to Old Downtown Greenwood's resurgent commercial and entertainment district. Now, Revery has solidified its footprint by buying the 155-year-old building at Madison and Main streets in which the restaurant opened.

Revery owner Mark Henrichs financed the purchase with a loan from the US Small Business Administration 504 program. The loan was provided by Huntington Bank and Indiana Statewide CDC.

The 504 loan was key to the deal, says Dustin Gardner of Huntington Bank. **"Many people (including Greenwood city officials) would have been disappointed had we not been able to get the project done,"** Gardner says.

Henrichs says, **"Our SBA 504 loan allowed me a lower down payment and is keeping my monthly payments lower. My mortgage is considerably less than my previous lease with the old landlord, leaving me more money to spend towards restaurant repairs and upgrades, along with being able to increase my staff salaries."**

Revery advertises itself as family-friendly, serving American-style dinners with local produce, livestock and craft beers. It changes its menu to match the seasons.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Revery
Greenwood, IN

In participation with
Huntington Bank
Indianapolis, IN



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Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Tanning Supplies Unlimited
Indianapolis, IN

In participation with
State Bank of Lizton
Brownsburg, IN



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Tanning Supplies Unlimited is a wholesaler that manufactures and distributes equipment and supplies to licensed tanning salons in North America.

Its success forced Owner Michael Gilley to buy and remodel a building that provides double the space for Tanning Supplies' headquarters and warehouse. He financed the project with a loan from the SBA 504 program through State Bank of Lizton and Indiana Statewide CDC.

Gilley says, **"The 504 loan made it easier for the bank to participate in our growth, and I'm grateful for that."**

Jim Young, executive vice president of State Bank of Lizton says, **"The SBA 504 program is an important building block for small businesses in our Central Indiana service area. Tanning Supplies Unlimited is a good business that needed a stable, long-term interest rate and a low down payment requirement that the 504 loan provides."**

Gilley founded Tanning Supplies Unlimited in 2003. Gilley expects to add personnel in addition to his current 14 employees in the near future.

Gilley also owns associated companies that date back 28 years and have used the 504 program before. They operate retail coin laundries and tanning salons in Indiana and Kentucky and Bubbleland Car Wash in Plainfield.

Right in the middle of Carmel's downtown Arts & Design District is a good example of the SBA 504 loan's influence as a building block. Owner Anthony Lazzara used 504 financing to construct the three-story building housing Anthony's Chophouse and associated 3UP Rooftop Bar.

The loan, from First Merchants Bank and Indiana Statewide CDC, also helped finish the interiors of both restaurants. A park and plaza accent the project.

Lazzara says, **"With the SBA's loan guarantee, we were able to craft a financing package with First Merchants and Indiana Statewide CDC that encompassed more than just the construction loan. We obtained a loan with a more acceptable amortization than the bank could allow. This helps our business from a cash flow perspective in the first few years which are the toughest in this industry."**

Josh McKenney of First Merchants Bank says, **"This is a large building project. People can't miss it in downtown Carmel. The SBA 504 program helped us come up with a pricing strategy that worked in the borrower's favor while providing the bank with an adequate risk coverage. We are able to provide a more generous payment structure for Anthony, which will help in the early years as the restaurant gains traction."**

Indiana Statewide Certified Development Corporation

Fixed Asset Debt Refinancing for

Anthony's Chophouse and 3UP
Carmel, IN

In participation with
First Merchants Bank
Indianapolis, IN



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Indiana Statewide Certified Development Corp.



First Quarter 2019

During more than 20 years of providing reliable landscaping services for companies and homes, Goodin Ground Maintenance built a strong core of customers around Indianapolis and Greenfield. Recently, Owner David Goodin also realized he needed more space.

Goodin obtained SBA 504 financing from First Merchants Bank and Indiana Statewide CDC. He used it to buy real estate and a larger building in Greenfield to house the company's equipment, office and inventory of trees, bushes and flowers for customers.

Chris Allen of First Merchants says the 504's low, fixed interest rate and low down payment attracted Goodin.

Goodin Ground Maintenance employs about 15 people on a full-time basis and ten or so during the company's busy seasons.



Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

Goodin Ground Maintenance
Greenfield, IN

In participation with
First Merchants Bank
Middletown, IN



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Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

WYN Industries Inc.
Whitestown, IN

In participation with
Fifth Internet Bank
Fishers, IN



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WYN Industries, a 40-year-old producer and distributor of industrial fiberglass products and services in the Midwest, bought and moved into an industrial building six times larger than its longtime home.

WYN used a SBA 504 loan from First Internet Bank and Indiana Statewide CDC to move from Northwest Indianapolis to Whitestown.

"We've needed more room for a long time," says Owner Jake Hogue. The company now has 8,000 square feet of space to fabricate fiberglass coatings and structural products for corrosive industrial markets such as water treatment and wastewater facilities. (Think protective coatings on metal stairs, rails and floors, and fiberglass rails and platforms.)

Hogue says, **"We are a small family business, the SBA 504 loan program helped protect cash flow by allowing a lower down payment."** Hogue's grandfather and another business partner started the company in 1978.

First Internet Bank's Chuck Fippen says, **"WYN is a great business poised for growth in the next generation of ownership. Jake Hogue has worked very hard to find a space and location that gives the company a competitive advantage for many years to come."**

12 Stars Media is buying, renovating and moving into a two-story brick house just east of the court house square in Noblesville. The house was built in 1880 when Noblesville was a frontier town a day's horseback ride north of Indianapolis. That decade, Indiana U.S. Senator Benjamin Harrison was elected President and Indiana's population grew 15 percent to 2.5 million people. Construction also started on the Soldiers & Sailors Monument.

SBA 504 financing from Greenfield Banking Company and Indiana Statewide CDC is helping 12 Stars' CEO Rocky Walls buy and convert the house into a modern media headquarters.

Greenfield Banking's Greg Woods says, **"The SBA 504 allows the business owners to put less capital in the project and provides support to the bank."**

Walls says, **"The SBA 504 loan is great. It helps us keep more cash on hand for operations and renovations. Knowing the interest rate is fixed also adds to the stability of switching from leased office space we've occupied since 2007."**

12 Stars' 12 employees work globally for clients such as Siemens and Peakon (a European software developer). Local work includes the Indiana Blind Children's Foundation and Reconnecting to Our Waterways. **"We help clients 'share the stories of real people doing real things that impact their world in a positive way,"** Walls says.

Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

12 Stars Media Productions
Noblesville, IN

In participation with
Greenfield Banking Company
Greenfield, IN



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Indiana Community Business Credit Corp.



This is an exciting spring for Lloyd Sprowl, his sister Lori Sprowl Hobbs and her husband Gary Hobbs. Builders are finishing their new business, Sprowl Funeral & Cremation Care, on West 30th Street in Indianapolis.

The Indiana Community Business Credit Corporation (Credit Corp) and Old National Bank are providing a mezzanine loan to assist Sprowl Funeral Care until it can open and begin generating income.

Old National and Indiana Statewide CDC are also issuing a SBA 504 loan that helped the family group build and equip its new funeral home.

Lloyd Sprowl is a licensed funeral director and Lori is a licensed funeral cosmologist with a combined 20 years in the funeral business. Hobbs is a real estate developer with experience in business start-ups.

Lloyd Sprowl says, **“These loans are giving me a credit enhancement vehicle that helps me stretch my other dollars and makes my bank more comfortable.”**

Old National Bank’s Jason King says, **“The Credit Corp and Indiana Statewide CDC are helping reduce the level of equity we would need in this project. All together, we are helping a new business provide a needed service.”**

Cambridge Capital Management Corp.

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LYNX Capital Corp.



Maurice Dunn started The Carpenter’s Son in 2012 in Baltimore, and brought the company to his hometown, Indianapolis, in 2014.

One of the company’s specialties is building out commercial tenant space, along with new construction and total renovations. Those projects keep The Carpenter’s Son’s six employees busy year-around.

But slow payments from a major job in Iowa drained working capital. Needing funds to keep going on current projects, Dunn contacted Lynx Capital Corporation, a lender to minority-owned firms, for financing. Dunn used Lynx’s loan to pay off past financing and provide working capital to move forward.

Michelle Robertson, the company’s CFO, says, **“Lynx funding came through at the right time and is a big help.”**

