



# Portfolio News

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

Cambridge Capital  
Management Corp.

Fourth Quarter 2007

## 2007 is another record year for Indiana Statewide CDC

We are grateful for another record year for the Indiana Statewide Certified Development Corporation in fiscal 2007.

Working with 33 different partner lenders, the Indiana Statewide CDC provided \$37,564,000 to 66 projects for the year ending September 30. Total funding for the projects reached \$103,538,588. The old funding records were just a year old: \$35,469,000 to 69 projects and total funding from all participants of \$99,479,979.

Jean Wojtowicz, executive director of the Indiana Statewide CDC says, “**Many business owners tell us they could not have financed key expansions without our help.**”

Indiana seems to be on the right track. Major companies such as Honda and Wellpoint are proceeding with welcome expansion. If you haven’t driven toward Cincinnati on I-74 lately, you may be startled by the construction work on the Honda plant at Greensburg.

In addition, small high-tech companies partially funded by the Indiana Statewide CDC, such as Aerodyn Engineering in Indianapolis and e-biofuels in Middletown, are diversifying the industrial landscape of Indiana. Both those companies are profiled in this newsletter.

## Bank of Indiana is Small business Lender of the Year

One of Indiana’s newest banks, the Bank of Indiana, earned the title of Small Business Lender of the Year for 2007. The bank, located in Dana, generated the greatest volume of U.S. Small Business Administration 504 business expansion loans as a percentage of their overall deposits.

Jeff Salesman accepted the award for the Bank of Indiana at the Indiana Statewide CDC annual meeting. Bank president Dan Fehrenbach (who is president of the Statewide CDC board) and Jay Reynolds also originated SBA 504 loans for the Bank of Indiana with Indiana Statewide CDC.

The bank and Indiana Statewide CDC made loans this year to Misco Enterprises, Petrozone and Reel Time Logistics. The Bank of Indiana has branch offices in Lafayette, Terre Haute, Hamlet, North Judson and Indianapolis.

More than 20 banks were in contention for Lender of the Year designation. The three top runners-up were: Shelby County Bank, Indiana Business Bank and Evansville Commerce Bank.

The Indiana Statewide CDC award for the lender with the most SBA 504 loans approved went to 1st Source Bank of South Bend. Bruce Burkart accepted the award for the bank, which had five loans approved.

Community South Bank generated the most SBA 504 debenture dollars in Indiana, over \$3 million. Doug Scott was at the meeting to accept the award.

Steve Young of Midwest Capital Corporation was honored individually with the most SBA 504 debenture dollars and the most SBA 504 loans approved this year. He worked with the Indiana Statewide CDC on loans to Noblesville Honda, dentist Angelo Julovich, Bone Dry Roofing, Aerodyn Engineering and the owner of several Burger King restaurants.

Jennifer Mathews Miner, previously with Lincoln Bank, received the award for the largest SBA debenture of the year: a loan to the former Kahn’s Marketplace in Carmel, now known as Vine & Table.

We enjoy honoring these bankers: we could not achieve our successes without every lender who brings a SBA 504 loan to us! Thank you.



Picture: Jeff Salesman accepting the award for Lender of the Year on behalf of Bank of Indiana from Jean Wojtowicz

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## Jess Helsel retires & Indiana Statewide elects six to board

An original member of the Statewide CDC board, Jess Helsel, retired at our annual meeting. Jess stepped down recently as chairman of Helsel, Inc. in Salem and is chairman of the J.F. Helsel Commerce Center. He is easing into the retirement earned through many years as a community leader in a wide variety of endeavors. For his years of service, Jess was presented with a Distinguished Hoosier award at the annual meeting.

Jess's wise counsel will be missed, though we hope to continue his friendship.

At the board meeting, Sam Schlosser of Plymouth Foundry, Inc. was elected to fill Jess's slot as a small business representative on the board.

Also elected to three-year terms were:

- Gene Dawson, United Fidelity Bank, Evansville
- Scott Fulford, Indy Partnership, Indianapolis
- Cito Mamaril, Harris Bank, Indianapolis
- Jim Marcuccilli, STAR Financial Bank, Fort Wayne
- Dave Mason, National City Bank, Indianapolis



Picture: Jean Wojtowicz presenting a Distinguished Hoosier Award to Jess Helsel

The Artists Colony Inn and Restaurant in the middle of tourist-rich Nashville has new owners. Mary Haller and Steve and Bibianna Stutsman purchased the Inn with SBA 504 financing from JP Morgan Chase Bank, Bloomington and Indiana Statewide CDC.

**"SBA 504 financing was exactly what the owners needed,"** says Chase's Jo VanDerSnick. **"It allowed for a much smaller down payment than transactions for hotels and restaurants typically require."**

Haller says, **"The transaction was very smooth, and we are pleased to be able to continue the tradition of the Artists Colony Inn."**

The Inn succeeds as a tourist draw despite the fact it does not have a nationally known brand name. The Artists Colony Inn has built its own reputation for 15 years. It is a combination small hotel and restaurant, complete with a banquet room seating 80 people, located one block south of the Brown County Courthouse. The Inn is a short walk to 300 art galleries and shops and a quick drive to Brown County State Park.

The Artists Colony Inn's clapboard siding and spacious open porch are reminiscent of earlier times and relaxed dinners with friends. That's exactly the ambience the three-story inn successfully creates for leisure travelers, business meetings and small conventions. The original construction of the Inn was also financed by Indiana Statewide CDC.

### Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

#### Artists' Colony Inn Nashville

In participation with  
**JPMorgan Chase Bank**  
Bloomington



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

#### Effective Interest Rate

	<u>2007</u>	<u>10-yr.</u>	<u>20-yr.</u>
September	6.50		6.53
October	—		6.54
November	6.37		6.48
December	—		6.26



There are four water falls at Vanilla Greens, the new miniature golf course on Muncie's north side. The course also features 200 feet of river front, a hole on an island and challenging rimless greens. The fibers in the fairway carpet are plastic and lay at an angle. "Like hair on a cowlick," says owner Scott Parkison. Fine sand is brushed in, making the artificial grass—called Sportexe—as smooth as real golf greens.

Parkison built and opened Vanilla Greens with SBA 504 financing from First Financial Bank and Indiana Statewide CDC. Parkison says, "**First Financial Bank jumped on it, and they and Indiana Statewide CDC really worked to make this happen.**"

"**I will make them happy they did it,**" Parkison adds.

The name "Vanilla Greens" refers to the course's next door neighbor. Delta Queen is an ice cream shop and restaurant Parkison has owned for 28 years.

Jim Weiseman of First Financial Bank says, "**The 504 allows the Parkisons to complete their dream. Located next to the Royerton little league and football programs, the Parkisons have a nice mixture of batting cages, miniature golf, good food and ice cream.**"

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### Delta Queen Vanilla Greens Muncie

In participation with  
**First Financial Bank**  
Hartford City



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**Cambridge Capital Management Corp.**

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### Vine & Table and Montage at Allison Pointe

In participation with  
**Lincoln Bank**  
Indianapolis



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**Cambridge Capital Management Corp.**

Look for the Vine & Table the next time you drive past Kahn's Marketplace in Carmel.

Kahn's has built a reputation for ten years as a source of fine wine and gourmet cheese. It also is known as a respected catering business. Joe and Vicki Husar worked with Indiana Statewide CDC and Jerry Orem of Lincoln Bank to arrange SBA 504 financing to purchase the real estate housing Kahn's Marketplace and change the name to Vine & Table.

"**SBA 504 financing is fabulous,**" Husar says.

The Kahn's name lives on as Kahn's Katering at the Eiteljorg Museum and the same company also operates the Montage at Allison Pointe. About 150 people are employed in the three businesses.

Joe Husar has owned Kahn's in Carmel since 1996 and the Montage catering since 2001.

Jim and Kathy Haas and their son Kevin have owned and operated nine Burger King restaurants on Indianapolis' west side and Hendricks County for several years. Recently, Midwest Capital Corporation and Indiana Statewide CDC combined to provide SBA 504 financing so the Haas' K&JK Enterprises could purchase new equipment and the land and building for their far west side 10th Street Burger King.

"**It was a smooth transaction,**" says Kevin Haas. By upgrading the restaurant, the Haas family expects to expand its business, securing the jobs of their 25 employees.

Steve Young of Midwest Capital Corporation calls K&JK Enterprises, "**a solid, successful, family run business.**"

He says, "**The 504 program is an excellent way for business owners to leverage their capital. The low down payment requirement and long amortization allows the business owner to acquire their building and preserve capital to operate their business.**"

"**The Statewide CDC is great to work with. They are proactive in the underwriting, approval and closing process,**" adds Young.

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### 10th Street Burger King Indianapolis

In participation with  
**Midwest Capital Corporation**  
Fishers



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**Cambridge Capital Management Corp.**



Schafer Powder Coating of Indianapolis recently purchased equipment to install in the company's new plant on the northwest side of Indianapolis. The equipment, construction and land purchase were made with two SBA 504 lending packages from Indiana Statewide CDC. The latest was with Lake City Bank.

Expanding the company was logical for owner Mark Schafer because Schafer Powder Coating added client companies in auto supply, piping and tubing, furniture and fences. Schafer's expansion is home to a new state-of-the-art powder coating line with batch capabilities for powder and electrostatic wet spray.

Powder coating is dry coating for many types of metal parts and equipment. It is applied electrostatically as a free-flowing dry powder and is cured under heat to allow the coating to flow and form a protective skin.

Schafer says, **"We are dedicated to providing our customers with high quality finishes and fast service. We appreciate the financing."**

A representative of Lake City Bank says, **"SBA 504 financing works for manufacturers who are growing because the low, long-term rate allows investment-heavy industries to fund their needs while keeping more money to run the business."**

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate equipment financing for

### Schafer Powder Coating Carmel

In participation with  
**Lake City Bank**  
Indianapolis



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Management Corp.**

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### Super 8 Motel Howe

In participation with  
**Stearns Bank**  
St. Cloud, MN



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**Cambridge Capital  
Management Corp.**

The Super 8 Motel in Howe has a new look thanks to remodeling accomplished by Jatin Patel after he purchased the property. Stearns Bank and Indiana Statewide CDC provided SBA 504 financing for the project, which includes extensive renovation to freshen the building grounds.

Tom Ethen of Stearns Bank proposed the SBA 504 financing for Patel so that Patel could retain as much operating capital as possible while getting the funding he needed for buying and remodeling the hotel.

The Super 8 is located at the interchange of I-80/90 & State Road 9 two miles north of Howe, just a short distance from the Michigan border. It offers a free continental breakfast, wireless internet access—and pets can accompany their owners. All are attractions for business and family travelers along the busy east-west interstate.

A company that manufactures biodiesel fuel made from soybean oil and white grease is beginning production near Middletown.

e-biofuels built and equipped its plant with SBA 504 financing from First Merchants Bank, Muncie and Indiana Statewide CDC.

David Spade of First Merchants Bank says, **"e-biofuels had identified prospective customers and had produced small amounts of refined biodiesel fuel to understand the technology."** First Merchants Bank talked with outside experts within the industry to verify their technical and sales plans.

**"We're appreciative of the Indiana Statewide CDC. They were very responsive and supportive throughout the process,"** adds Spade.

Brothers Chad and Craig Ducey combined their backgrounds: Chad sold a business to help finance e-biofuels and Craig is a Rose Hulman engineering graduate.

Chad Ducey says, **"Our mission is to provide alternative energy to the fuel industry that is developed from products that are readily available."**

About ten people are currently employed at e-biofuels and more are likely to be hired in the future.

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### e-biofuels Middletown

In participation with  
**First Merchants Bank**  
Muncie



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Rob Musselman thinks he's going to like winter. Rob, his wife Kristy and Rob's father opened the Anderson Car Wash along busy Scatterfield Road this summer.

**"It's going pretty well,"** says Rob. **"But the summer is not as good as the winter for people coming in to wash their cars."**

Cary Mawbey of First Farmers Bank & Trust and Indiana Statewide CDC provided business startup financing from the SBA 504 program. Rob says, **"SBA 504 financing was the best way to do it. I had limited cash and the low down payment really helped. I put the deal in Cary's hands and it worked out real well."**

Mawbey says, **"They run the business as a family and it seems to be run well. They are in an area of Anderson that is beginning to grow and needs businesses. They are busy washing cars."**

Anderson Car Wash's two automatic car wash bays and three self-service bays assure customers that they will drive away with a clean car.

Mawbey says Indiana Statewide CDC provides **"quick turnaround. They are easy to communicate with."**

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### Anderson Car Wash Anderson

In participation with  
**First Farmers Bank & Trust**  
Kokomo



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**Cambridge Capital  
Management Corp.**

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### Culver's Butterburgers & Frozen Custard Fort Wayne

In participation with  
**CIT Small Business  
Lending Corporation**  
New Jersey



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**Cambridge Capital  
Management Corp.**

Culver's is becoming a recognizable landmark in many Midwestern cities, including along the busy roadways on Fort Wayne's north side. Bob and Sandra Geisler opened their Culver's at the location with SBA 504 financing from CIT Small Business Lending Corporation and Indiana Statewide CDC.

Culver's is a casual family restaurant with dinners, sandwiches and salads. Menu favorites are a Butterburger and frozen custard. All the food is prepared fresh to order and the custard is made daily in a variety of flavors.

Culver's originated in Sauk City, Wisconsin in 1984. Since 1993, it has grown to over 350 restaurants stretching from Kentucky to Colorado, Texas and Minnesota.

Hasan Pride of CIT Small Business Lending Corporation says, **"SBA 504 lending is perfect for a small business, with its combination of low, long-term rates and a low down payment."**

Three Indianapolis neighborhoods have brighter, newer places to gas up and buy snacks. W.D. "Dub" Taylor used SBA 504 financing to open one Quick Exchange and two Valero gas stations/convenience stores. Indiana Business Bank and Indiana Statewide CDC provided the loan.

**"The SBA loan is great,"** says Taylor. **"It helped me with my down payment because I was able to invest much less than the 20-25 percent that the banks wanted under conventional financing."**

Taylor adds, **"Indiana Business Bank was also interested in doing all three loans, and that helped a lot."**

Greg Kuhn of Indiana Business Bank says, **"Taylor has a good business plan and nearly 50 years of experience in owning convenience stores, so we were pleased to work with him."**

Taylor opened his first convenience store in Oklahoma. His three Indianapolis stores employ approximately 20 people.

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### Quick Exchange Indianapolis

In participation with  
**Indiana Business Bank**  
Indianapolis



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Management Corp.**



In 1981, James Sandberg built a delivery truck from spare parts in order to fulfill a contract from the U.S. Postal Service. Now with 100 drivers and nearly that many vehicles, Sandberg Trucking services 25 U.S. Postal Service contracts and delivers the mail in eight states.

After operating out of his home, Sandberg moved Sandberg Trucking to a building on Evansville's northeast side. Financing was provided by the SBA 504 program from German American Bank and Indiana Statewide CDC.

Donald Loepker of German American Bank says that the loan structure creates stable financing. **"We could get a fixed loan rate for 20 years through this program. We couldn't do that anywhere else,"** he says.

Sandberg adds: **"We're happy with the way the loan turned out. And we're very happy with this building."**

Sandberg's drivers carry the mail between major cities such as Indianapolis, Chicago, Milwaukee, Minneapolis and St. Louis—plus many stops in between.

Sandberg Trucking plans to continue delivering the mail through rain, snow and sleet long into the future.

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### Sandberg Trucking Evansville

In participation with  
**German American Bank**  
Jasper



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**Cambridge Capital Management Corp.**

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### Hoosier Express Car Wash Bloomington

In participation with  
**First Farmers Bank & Trust**  
Kokomo



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

The Hoosier Express Car Wash brings a new and impressive touchless washing system to the west side of Bloomington.

First Farmers Bank & Trust and Indiana Statewide CDC provided SBA 504 financing to Bill and Susan Green to buy the land and build their car wash.

**"The financing is very good,"** says Bill Green.

Cary Mawbey of First Farmers Bank & Trust says, **"This is a family business that has done a similar project a few years ago. They are community-minded people who have lived in the area all their lives and run a good business. They are perfect candidates for SBA 504 funding."**

Green operates the car wash with his son, and says Hoosier Express offers two automatic bays featuring PDQ laser car wash equipment and four self-service bays. Hoosier Express Car Wash is on Second Street between State Road 37 and downtown Bloomington and has enjoyed good business in its first ten months.

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

### Aerodyn Engineering Indianapolis

In participation with  
**Midwest Capital Corporation**  
Fishers



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**Cambridge Capital Management Corp.**

Aerodyn Engineering sprang from a leveraged buyout of Test Devices by brothers Tom and Dave Lawrence. The company manufactures and tests parts for gas turbine engines including precision, high speed, low noise slip rings. Slip rings may be liquid cooled or air cooled, and are used to test and develop rotating machinery such as an engine turbine.

Tom Lawrence says, **"Our employees are skilled machinists and engineers. They tend to hold advanced degrees and are highly compensated."**

Aerodyn sells to engine makers around the world—although Rolls Royce, a major customer—is practically a neighbor on Indianapolis' west side.

Quadrupling sales in five years led Aerodyn to look for larger manufacturing space. The company bought a building near Indianapolis International Airport and added new equipment with SBA 504 financing from Midwest Capital Corporation and Indiana Statewide CDC.

**"The financing allowed us to nearly triple our manufacturing space,"** says Tom, **"from over 11,000 square feet to 33,000 square feet."**

Steve Young of Midwest Capital Corporation adds, **"Tom and Dave Lawrence are a successful manufacturing team. SBA 504 financing is a good way for them to invest for the future and maintain the substantial cash flow they need."**



**Benefit Management Consulting**



As Benefits Management Consulting of Lafayette was helping its clients develop and administer their health care plans, it was also considering its own expansion plans.

STAR Financial Bank and Indiana Community Business Credit Corporation combined for mezzanine financing to assist Benefits Management with a working capital loan.

Matt Skiles of Benefits Management says, **“This financing was crucial for us because it allowed Benefits Management to purchase new computers and software we needed to keep up with the changes in our industry.”**

Benefits Management is a consultant and administrator of corporate and small business health care plans specializing in health care cost containment.

Marilyn McCombs of STAR Financial Bank says, **“The Credit Corp. helped tremendously in pulling this deal together and making sure the borrower and our bank was aware of everything.”**

**Indiana Community Business Credit Corp.**

Growth capital for

**Benefit Management Consulting**  
Lafayette

In participation with  
**STAR Financial Bank**



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**Cambridge Capital Management Corp.**

The get **MOR** plan  
Care for Tomorrow Today

**Hilton Publishing**




Hilton Publishing carries considerable influence for its size. Hilton is the only national publisher of books, pamphlets, brochures and DVDs on medical issues aimed at minority patients or those who treat and care for them. Its seven employees are in Munster and Chicago.

**Indiana Community Business Credit Corporation and Lynx Capital Corporation**

Growth capital for

**Hilton Publishing**  
Munster

In participation with  
**First Financial Bank**  
Lafayette



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

Hilton Publishing contracts with doctors and other medical professionals as authors.

**“All our submissions are strictly peer-reviewed,”** says Dr. Hilton Hudson, a thoracic surgeon who started the company in 1996.

**“Then, we have a team of editors and graphic artists who make the articles and books fun, engaging and culturally sensitive.”**

Cultural sensitivity includes photos, art and copy that accurately portray how an African-American, or Asian or Hispanic looks, talks and approaches his or her situation.

Dr. Hudson says **“For example, African-Americans often use prayer as a guide to deciding on treatments or surgery. We take that into consideration.”**

Indiana Community Business Credit Corporation and Lynx Capital Corporation helped provide financing for working capital and software development. **“The investment is important because it allows us to publish more material for people,”** Dr. Hudson says.



In the steel industry, in general, there exists a demand for galvanized steel strand by the utility industry due to a lack of manufacturing capacity. To meet this existing and growing demand, Mitchell Industries, Inc. has established a new manufacturing operation focused on meeting the industry's needs.

Located in Mitchell, Indiana's industrial incubator in southern Indiana, Mitchell Industries, Inc. will produce galvanized steel strand from purchased galvanized steel wire using state-of-the-art stranding and rewinding equipment. Their high quality products are the result of latest technology and modern equipment used for the production. They use high performance based machinery for production that ensures superior quality and durability.

Mitchell Industries' owner, Randy Nahvi used Lynx Capital Corporation financing to purchase and install the new equipment. Randy Nahvi has thirty-five years of manufacturing and senior management experience in the wire and cable industry. "Lynx gave us the opportunity to finance operating capital and equipment purchases," says Nahvi. "The financing was handled quite smoothly."

In addition to the LYNX funding, Mitchell Industries has received financing from both KeyBank and the City of Mitchell to support equipment purchases.

Mitchell aspires to develop long-term relationships with the customers, which they believe can only be achieved through quality assurance. Mitchell has achieved high quality production with the state-of-the-art equipment and the best raw materials. With its highly experienced management team, its cost structure, its focus on the business and its commitment to the industry, Mitchell Industries, Inc. is bound to be an extremely successful enterprise.


**Lynx Capital Corporation**

Growth capital for

**Mitchell Industries**  
Mitchell

In participation with  
**KeyBank**  
Indianapolis

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



## About Lynx Capital Corporation

Lynx Capital Corporation was founded in 1991 to provide growth capital to companies owned by racial minorities. Since 1991 Lynx has provided \$10.4 million to 59 companies.

Eligible applicants include existing businesses who can demonstrate a strong management team, a competitive, unique product with good growth potential, a relatively significant financial stake in their business, and the desire to be successful.

Companies must have at least 5 employees, be owned by racial minorities and have a need for at least \$75,000. Companies located outside the Greater Indianapolis Area require a financial institution to participate.

The application process requires companies to submit a business plan, uses of funds, bank and customer references, resumes of key employees, historical financial statements and tax returns, cash-flow projections, personal financial statements on all shareholders and other pertinent data such as insurance documents and patents.

For more information, please visit our web site at [www.cambridgecapitalmgmt.com](http://www.cambridgecapitalmgmt.com) or send your information to the address below to the attention of Charles Kennedy.

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