

Business Finance Group (BFG) successfully arranged \$1,862,500 in SBA financing to refinance real estate debt that matured on a thoroughbred training facility in Redlands, CA. To successfully fund, we had to address the following:

- **Discretionary Income of Shareholders not Readily Evident**

To demonstrate that it was appropriate to rely on the shareholder discretionary income for debt repayment support, we analyzed the personal and affiliate business cash flows. This is an entirely appropriate metric given that most small business concerns commingle business and personal resources (i.e., shareholder loans, real estate and equipment owned personally leased to the business and utilizing personal credit cards to fund the business).

- **Business did not Demonstrate the Historic Ability to Repay the Loan**

We showed the business went through a significant change in mode of operations in 2007. Thus, the current business is substantially different from the business operated prior to the change, making it reasonable to rely more on the 2007 business financial statements, which showed an improving trend and projections, because they fully reflected the results of the substantially changed mode of operations.

To ensure the success of obtaining suitable business financing or business insurance for our clients, we thoroughly analyze and evaluate every transaction engagement.

We look forward to working with you and your clients, who you feel require business financing and/or business insurance to allow their businesses to successfully expand their business horizons.