

# GROWING TOGETHER

2016 ANNUAL REPORT



THANK YOU

## GROWTH CAPITAL

gratefully acknowledges the following organizations for their underwriting support of our 2016 Annual Meeting and Report.



Cavitch, Familo & Durkin  
Chemical Bank



Citizens Bank  
Ciunni & Panichi



Cohen & Co.  
Colliers International



Corrigan Krause



Dollar Bank



Fifth Third Bank



First Federal of Lakewood



First National Bank

Geauga Savings

Goldman Sachs 10,000 Small Businesses



Huntington Bank



JP Morgan Chase

Key Bank



Kimball E. Rubin & Assoc

Meaden & Moore

Newmark Grubb Knight Frank

Peoples Bank



PNC Bank

Roetzel & Andress

Ulmer & Berne

US Bank





# DEAR FRIENDS,

This past year has seen great changes, great challenges, and great opportunities. Growth Capital adapted to those changes, met those challenges and took advantage of those opportunities in 2016 to produce yet another RECORD YEAR in Loan Production and another RECORD YEAR of Mission Impact. We approved more loans than EVER before in our 34 year operating history and expanded our mission impact more than ever before experiencing solid growth along the way. We experienced growth in our loans production, growth in our portfolio outstanding, growth in the number of Underserved Market borrowers served, and growth in our staff; but we didn't grow alone. We are Growing Together with you; our friends, our banking partners, and especially our borrowers. Our SBA 504 Program grew with the re-introduction of our Refinance option. Our SBA Community Advantage Program grew as we moved toward the Top Five of all Community Advantage Lenders Nationally. None of this would be possible without the dedication of our staff, the support of our volunteer Board and Committee members and the trust and confidence of all of our referral partners; we are truly Growing Together and that growth can be seen by some of the following.

- Our loan dollars grew by 26%
- Our lending partners grew by 25%
- Our board diversity grew by 22%
- Our corporate sponsorships grew by 20%

Growing Together in 2016 we produced some impressive Mission Impact that includes the following results that are positively affecting our local communities.

- More than 32% of our Loans went to Women, Minority & Veteran Businesses
- More than 83% of our CA Loans went to Low-To-Moderate Income Businesses
- More than 350 Potential Job Opportunities Created by our Borrower's Businesses

We are certainly Growing Together with our banking partners, our borrowers and our communities; with our now Four Time Lender of the Year, John Barth, our Bank of the Year, Huntington National Bank, our Community Advantage borrowers MSK Tool and Cradle Gear, smaller manufacturers helping to revive our Rust Belt one job at a time and most assuredly with this year's Award Winner The Auto Bolt Company, who is Growing Together with us by growing their workforce by more than 35% with revenues growing some 55% and continues to grow our local manufacturing base right here in Cleveland. We will continue Growing Together by making loans that impact our Mission and impact the Lives of the People in the Communities we serve. We Thank You for your continued support of Growth Capital dear friends and look forward another year of Growing Together.



John Kropf  
President and Executive Director



Jonathan Green  
Meaden & Moore, Ltd.

GROWING TOGETHER

# 2016 *LOAN ACTIVITY*

Growth Capital certainly continued helping small business with its loan activity. This year for the first time in our company history, we had 85 loans approvals and maintained the Number One SBA 504 and Community Advantage Lender status in the entire state of Ohio. While SBA 504 lending in the district decreased last year, we were able to hold our own and maintain our market share at 47% in the SBA Cleveland District.

Growth Capital had a great year with \$29 million in approved loans which leveraged over \$70 million in economic development investment in our communities during 2016. Our participation has adding significantly to the overall economic activity of our region with the potential to add over 350 new jobs for Ohio workers. Loan closing production for fiscal year 2016 totaled 63 loans funded through September 30, 2016 with loan closing dollar volume reaching \$22MM while adding more than \$5.4 million in loans outstanding contributing considerably to our 5% portfolio growth.

LENDER	LOAN COUNT	TOTAL PROJECT	LOAN AMOUNT
Huntington National Bank	8	6,246,200.00	2,461,000
FirstMerit Bank, N.A.	4	8,683,795.47	3,549,000
PNC Bank, National Association	4	8,795,592.00	3,146,000
JP Morgan Chase Bank N.A.	4	1,139,725.00	479,000
First Federal of Lakewood	2	3,465,000.00	1,424,000
AVANA Capital, LLC	1	10,978,028.00	3,369,000
The Bankcorp Bank	1	6,884,000.00	2,742,000
BankUnited N.A.	1	6,414,000.00	2,297,000
First National Bank of Bellevue	1	3,167,459.00	1,137,000
Westfield Bank	1	2,290,000.00	940,000
Talmer Bank and Trust	1	2,256,266.00	912,000
Eaton Family Credit Union, Inc.	1	1,625,000.00	585,000
KeyBank National Association	1	1,320,500.00	544,000
Croghan Colonial Bank	1	1,350,000.00	487,000
Liberty Bank, N.A.	1	650,000.00	236,000
Community Advantage Loans	53	5,068,839.00	4,572,981
<b>Grand Total</b>	<b>85</b>	<b>70,334,404.47</b>	<b>28,880,981</b>



# TOP PERFORMERS

## 2016 BANK OF THE YEAR

Presented to



# Huntington

**Huntington National Bank**

*For producing the most SBA 504 and Ohio Regional 166 loans with Growth Capital Corp. during 2016*

## 2016 LENDER OF THE YEAR

Presented to



**JOHN BARTH**

*For producing the most SBA 504 and Ohio Regional 166 Loans and loan commitments with Growth Capital Corp. during 2016.*







## 2016 *ECONOMIC* *DEVELOPMENT WINNER*



Auto Bolt has been in business for over 65 years in Cleveland, Ohio as a manufacturer of a diverse range of fastener related products. The company was purchased by the Kocian family in 1996 at its original location on Perkins Avenue in Cleveland. Current President and owner Rob Kocian, with 20 years serving in the business in nearly every capacity from sales to operations, is responsible for leading to the resurgence and growth of Auto Bolt at its current location on Manufacturing Avenue in Cleveland. The company has invested in its people, its operations, and its systems, and is committed to providing quality product to its North American based customers.

Auto Bolt specializes in low to high volume production of high performance externally threaded and non-threaded fasteners, customer designed to meet their specific end product application. Auto Bolt product size ranges from 1/4" (M6) through 1" (M24) diameter to lengths up to 12" (300 mm). Auto Bolt is a leading provider of specialty fasteners for a variety of industrial markets and applications in North America including heavy Truck and Trailer, Agriculture and Outdoor Power Equipment, Construction and Heavy Equipment, Automotive tier suppliers, Automotive Aftermarket and High Performance Racing, as well as the military. Our product is sold through distributors and plant providers to original equipment customers, as well as directly to original equipment customers throughout North America.



Auto Bolt has realized tremendous growth over the last 5 years fueled by higher value, more specialized product, as well as through increased efficiency and technology in our manufacturing operations. Our staff of Application and Process Engineers, along with our sales team will work with our customer's engineers on value added applications to suit a specific end product for our customers. Our highly skilled manufacturing group will work with our Process and Tool design engineers to produce a quality product in our recently purchased, nearly 100,000 ft<sup>2</sup> manufacturing facility. Our ISO9000 certified Quality System and operation ensures that product quality is built in at every step in the process from receipt of domestically supplied steel utilized in the manufacture of our product, through to the final inspection of finished product in our on-site Quality lab. Our product will meet and exceed our customer's specifications. Our leadership team, and our continued investment in skilled personnel and efficient equipment and plant operations is a foundation for our recent and continued growth expected well into the future at Auto Bolt.





Auto Bolt has provided an important economic impact to our community and used our lender partnerships that encourage and support comprehensive approaches to economic development. As a result of the SBA loan program and Growth Capital's strategic position in the market, Auto Bolt has been able to realize sustained growth. Growth Capital has provided six SBA 504 loans that were used to purchase the current Auto Bolt facility and acquire several new pieces of manufacturing equipment over the past 4 years. Our highly skilled workforce has grown over 35% in this time to more than 60 employees. Auto Bolt revenues are up over 55% in the last 4 years since working with Growth Capital and JP Morgan Chase Bank, with projections to surpass \$12 million in calendar year 2016.

# WINNING BUSINESS



# 2016 LOAN SERVICING ACTIVITY

The Growth Capital loan portfolio demonstrates the hard work being undertaken to support our economic development mission. Our portfolio growth and performance is indicative of our commitment to prudent credit underwriting as we take very seriously our fiduciary responsibility. Sound loan growth is our objective.

The Sept. 30, 2016 value of the Growth Capital loan portfolio was \$116,411,451, with 401 active loans.

	DOLLARS OUTSTANDING	NUMBER OF LOANS
SBA 504	\$105,181,304.10	321
Ohio Regional 166	\$ 2,529,436.67	14
Community Advantage	\$ 8,700,709.94	66

During Fiscal Year 2016, there were 20 loan prepayments, amounting to \$6,867,310.87, a 34% increase over the previous year. The new loan activity over prepayments allowed the portfolio to increase by \$3,401,135.10 or 3.0%.

Growth Capital managed 1 (all SBA 504) loans in liquidation during fiscal year 2016. There were 0 charge-offs of loans in liquidation.

As of Fiscal 2016 year-end, Growth Capital has no loans in the process of being liquidated.

As of 09/30/2016 Growth Capital had a delinquency rate of 1.46% compared to an SBA bench rate of .60% and a peer group rate of .76%. For the fiscal 2016 year, The SBA Lender Risk Rating has been lowered to a 2.

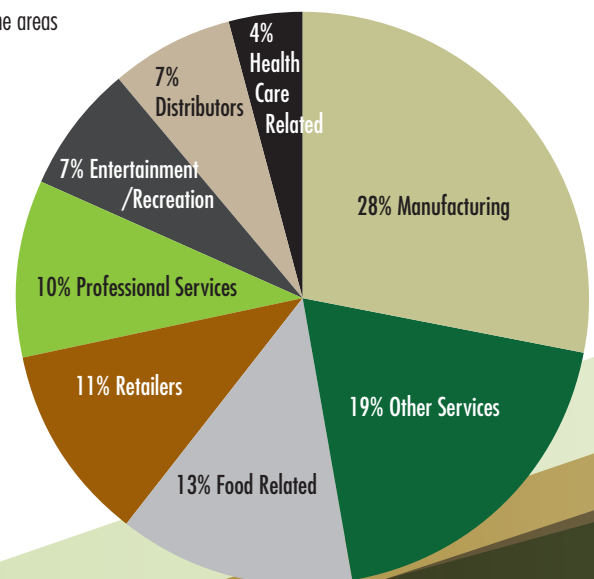
## IN FY 2015:

- Growth Capital made 63 loans totaling \$21,724,282 to entrepreneurs, which supported \$45,248,796 in additional investment
- 14% of loans were made to women-owned businesses
- 8% of loans were made to minority-owned businesses
- 6% of loans were made to veteran-owned businesses
- 83% of our Goldman Sachs 10,000 Small Business Initiative borrowers are in low-moderate income areas
- 80% of our SBA Community Advantage loan approvals were to SBA Underserved Markets.

## OUTCOMES:

- Amount funded \$21,724,282
- Loans 63 funded
- Average loan size \$344,830
- Portfolio Outstanding \$116,411,451
- Active Borrowers 401
- Delinquency 1.46%

## CLIENT BREAKDOWN:

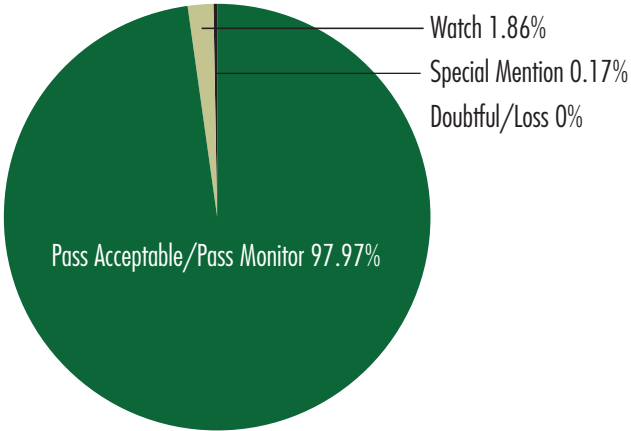


GROWING

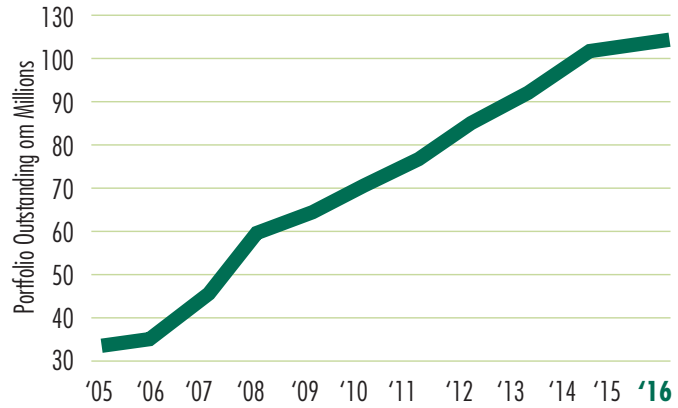


# 2016 MISSION IMPACT

## PORTFOLIO RISK RATING:



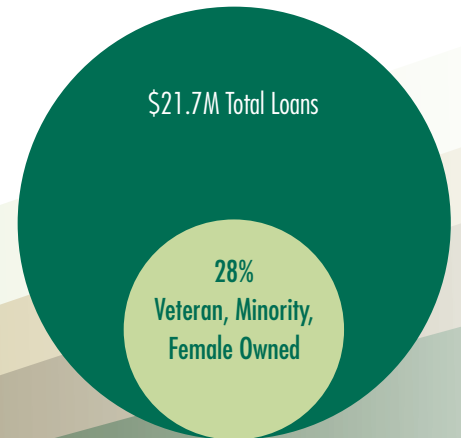
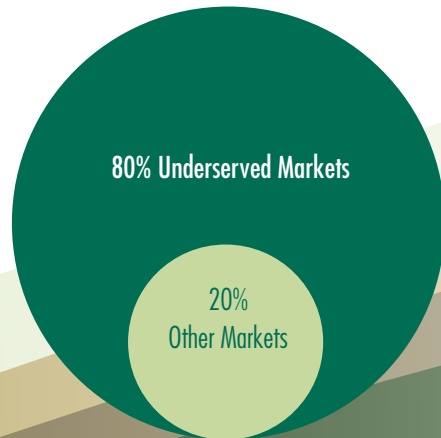
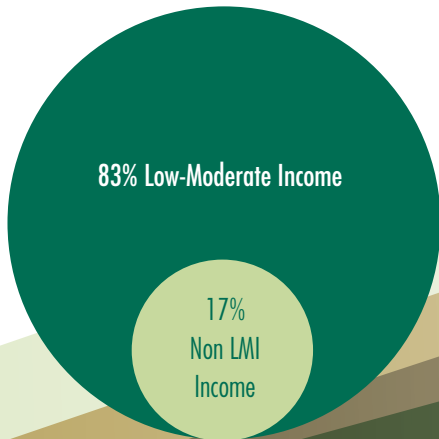
## PORTFOLIO GROWTH:



## DISADVANTAGED MARKETS:

### SBA UNDERSERVED MARKETS:

### GOLDMAN-SACHS 10,000 SMALL BUSINESS INITIATIVE:



TOGETHER THE NUMBERS

*Thank you so much for all of hard work and rapid pace.*

*— Brent Ridenour, First Class Sport Management Group, LLC Lima, OH*

## 2016 COMMUNITY ADVANTAGE LOANS

The opportunities for Growth Capital to make an impact in the communities we serve are unlimited. 2016 marks our third year of offering Community Advantage Loans up to \$250,000. With over \$8,600,000 in funded loans the portfolio is diversified by business type from manufacturers to retail stores. Our loans are used for working capital, debt consolidation, equipment and real estate purchases. As our clients grow new jobs are created that benefit their communities.

***My overall experience working Growth Capital was terrific. You were extremely professional and communicated with us on every step of the loan process. More importantly you are so nice and friendly!***

*— Miguel Semidey, Medicina Medical Middleburg Heights, OH*

***Thank you again for making this a great lending experience and so seamless. You guys are great to work with. I will not let you down!!!! My workers also thank you for helping our shop reach new levels.***

*— Jon Kuts M&J Machine Akron, OH*

***You both made me look really good to my customer. Your program is the perfect fit. Local Banker on "the just missed Bank loan."***

*— Westlake, OH*

***Thank you so much! I really appreciate you working with us. I'm very excited to create more sales and profits.***

*— LaVelton Daniel, Natural Genetics, Hamilton, OH*



# WINNING TOGETHER COMMUNITY

## MSK TOOL

Manufacturing is alive and well in NEO ! Just ask the Roth brothers of MSK Tool in Avon, OH



## CRADLE GEAR

Production of speciality athletic clothing does exist in the USA by Jason and Donna Gillis in Brunswick, OH.



## MCCREADY MANAGEMENT DBA THE HORSESHOE BAR WARREN, OH

New owners of this long time establishment, Alisha & Bill McCreedy, welcome both hometown and out of town patrons .



## ICON Resources Group Westlake, OH

This staffing agency is the expert in placing management, administrative and IT professionals on a nationwide basis.



**Awesome! Thank you so much for your hard work!! You made this an easy and wonderful experience!!**

— Kyle Krieg, Extreme Excavating & Landscape Inc. Painesville, OH

## 2016 APPROVED LOANS

### SBA COMMUNITY ADVANTAGE LOANS

Abajibapashree, Inc.  
Above the Barre, Inc.  
Akron Family Institute, Inc.  
Bor-It Mfg. Co., Inc.  
Bright Ideas Press, LLC  
Burns Industrial Equipment, Inc.  
Canton Pediatric Dental Center, LLC  
Cradle Gear Inc.  
Don Pancho's Restaurants, Inc.  
Eleet Cryogenics, Inc  
Elite Diesel Inc  
Embassy Fitness Solutions, LLC  
Extreme Excavating and Landscape, LLC  
Falmer Screw Products and Manufacturing Inc.  
Federico and Terri L. Martinez  
First Class Sport Management Group LLC  
Fresh Fork Market, LTD  
G.B. Beef, Inc  
Great Lakes Industrial Solutions Inc.  
Hydraulic Connections, Inc.  
Icon Resources Group Inc.  
J.L.E.C., Inc.  
Jamieson-Ricca Company  
JDLA Enterprises, Inc.  
Jennie May Inc.  
Jim Belding Monuments, LLC  
JSK Of Maumee, LLC  
KNBB Corporation  
M & J Machine Company  
McCready Management , LLC  
McGro & Associates, LLC  
Medicina Medical, LLC  
Medport, Inc.  
Merritt West, LLC  
MSK Tool & Die, Inc.  
National Carpet Outlet, Inc.  
Natural Genetics LLC  
Network Imaging Associates, LLC  
New Horizons Counseling, LLC  
Ohio Storage Euclid, LLC  
Plextrusions, Inc  
Reserve Filter Systems, Inc.  
Rossivee Inc  
Shree Lakshmi Hospitality LLC  
Supreme Landscape & Lawncare LLC  
TGY Parties & Special Events LLC  
The Auto Bolt Company  
The Custard Guys, Ltd.  
Triple A Electric Inc  
Waking on The Rock, LLC

### SBA 504 LOANS

Akron Family Institute, Inc.  
BGI Acquisition, LLC  
Bright Ideas Press, LLC  
Canton Pediatric Dental Center, LLC  
Cleveland Center For Integrative Dentistry  
Custard Guys, Ltd.  
Excel Air Tool Co., LLC  
Fastener Tool & Supply, Inc  
G.B. Beef, Inc  
Hemlock Landscapes, Inc.  
Hy Tech Products, Inc  
Hydraulic Connections, Inc.  
Jamieson-Ricca Company  
Jim Belding Monuments, LLC  
JSK Of Maumee LLC  
K B Trading, Inc  
Life Safety Systems, LLC  
Merritt West, LLC  
National Carpet Outlet, Inc.  
Ohio Storage Euclid, LLC  
Perry Fiberglass Products, Inc.  
PFMW Florence, LLC  
Plextrusions, Inc  
Shree Lakshmi Hospitality LLC  
Super-Lube, Inc.  
Tack Anew, Inc  
The Auto Bolt Company  
Waking on The Rock, LLC

### OHIO REGIONAL 166 LOAN

P.J. Bush Associates, Inc.

## 2016 CLOSED LOANS

### SBA 504 LOANS

Accurate Plastics, LLC  
American Metal Treating Company  
Appalachian Wood Floors, Inc.  
Brauhaus Cleveland, LLC  
Burns Industrial Equipment, Inc.  
Catanese Classic Seafoods, Inc.  
Cedar Donuts LLC  
Confident Car Repair & Tire Inc  
Don Pancho's Restaurants, Inc.  
Eleet Cryogenics, Inc  
Excel Air Tool Co., LLC  
First Mason Financial, LLC  
FVS, Inc  
G Scott Louderback, DDS LLC  
Hy Tech Products, Inc  
Hydraulic Connections, Inc.  
Itembazaar.com, Inc.  
K B Trading, Inc  
Madison Eye Care Associates, Inc.  
Market Garden Craft Brewery, LLC  
Midwest Trucks & Equipment, LLC  
NSL ANALYTICAL SERVICES, INC.  
Ohio Storage Euclid, LLC  
Om Sai Krupa Inc.  
Patriot Construction Services, Inc.  
Psychological & Behavioral Consultants, Inc.  
Quality Control Services LLC  
Schultz Upholstery Co.  
Secure ITADS LLC  
Super-Lube, Inc.  
The Auto Bolt Company  
The Orlando Baking Company  
Tymex Plastics, Inc  
Wharfside Ltd.  
Winar Connection, Inc.

### OHIO REGIONAL 166 LOANS

P.J. Bush Associates, Inc.  
Safety Controls Technology, Inc.

### SBA COMMUNITY ADVANTAGE LOANS

Above the Barre, Inc.  
Bor-It Mfg. Co., Inc.  
Cradle Gear Inc.  
Elite Diesel Inc  
Extreme Excavating and Landscape, LLC  
Falmer Screw Products and Manufacturing Inc.  
Fascar Drive Thru LLC  
First Class Sport Management Group LLC  
Great Lakes Industrial Solutions Inc.  
Icon Resources Group Inc.  
J.L.E.C., Inc.  
Jones Printing Services, Inc.  
M & J Machine Company  
McCready Management , LLC  
Medicina Medical, LLC  
MSK Tool & Die, Inc.  
Network Imaging Associates, LLC  
New Horizons Counseling, LLC  
Reserve Filter Systems, Inc.  
Rossivee Inc  
Triple A Electric Inc  
Valley Rubber Mixing, Inc.

GROWING



# 2016 *MARKETING ACTIVITY*

The Growth Capital staff is committed to our organizational Strategic Objective *"Focus our Marketing Efforts on Relationship Partnerships"*. In doing so we continue to execute strategies to initiate new relationships and educate our target market on the benefits of our loan programs.

During fiscal year 2016 we participated in a host of networking events and delivered presentations and training on our three loan programs.

In November, Gil Goldberg, District Director, U.S. Small Business Administration's Cleveland District office, awarded Growth Capital, SBA's Certified Development Company of the Year Award. This award honors the certified development company with the most SBA 504 loan approvals in the SBA Cleveland District.

Growth Capital hosted its Eleventh annual stakeholders networking reception in April. More than 150 customers, bankers, commercial realtors and accountants attended this event.

Growth Capital's new website allows prospective customers to apply online for our three loan products. The website also has many downloadable forms and information on our loan programs.

In July, the SBA brought back the SBA 504 refinance program. Small businesses now can take advantage of lower rates, fixed for 20 years, to lighten their monthly debt payments, improve cash flow and stabilize operations.

We have continued our referral and loan contest. The contest rewards those who refer or make a loan that is agency approved. These individuals earn raffle tickets to win prizes including a \$599 cash gift card along with other great prizes. The prizes are awarded during the 2016 annual meeting.

Growth Capital's electronic newsletter and blog distributed through LinkedIn and Twitter, were instrumental in 2016 as they were the source that generated the organization's most referrals. The newsletter and blog are distributed to more than 1,100 small business owners, loan officers, commercial brokers, attorneys, accountants and economic development professionals.

Presentations and events at our lending partners allow us to maximize our exposure in the marketplace and initiate new relationships while building on the referral relationships that already exist. Our efforts are certainly bearing fruit and for the Eleventh consecutive year, **Growth Capital is the number one SBA 504 lender in Ohio. Also for the Fourth consecutive year, we are the number one Community Advantage lender in Midwest and 6th in the country.** Also, Growth Capital was ranked in the top 50 out of 270 Certified Development Companies in the country and 14th in the mid country region.



## *STRATEGIC OBJECTIVES*

- To be easy to work with** for all
- To focus our marketing** efforts on relationships
- To seek** to operate at best-practice industry levels
- To develop** additional products and services

## *MISSION STATEMENT*

**We provide Creative Financing Solutions for Growing businesses.**

## *VISION STATEMENT*

**We seek to make Growth Capital the Premier Provider of Economic Development Financing in Ohio.**

**BOARD OF DIRECTORS**

Gloria Gates	PNC Bank
Wesley Gillespie	Huntington Bank
Jonathan Green	Meaden & Moore, Ltd.
MJ Hilker	Alliance Business Lending
Steve Lorenz	Kamm's Corner Development Corp.
John Moshier	ReadyCap Lending, LLC
Daniel M. Prendergast	Meaden & Moore, Ltd.
Alan Scheufler	Ulmer & Berne, LLP
Kevin Schmotzer	City of Cleveland



**MEMBERSHIP**

Vince Adamus	Greater Cleveland Partnership
Lawrence Allen	Dollar Bank
John Barth	Chase Bank
Timothy Breckner	Colliers International Real Estate
Chuck Ciuni	Ciuni & Panichi, Inc.
Cherie Dimmerling	Kinetic Technologies, Inc.
Wesley Gillespie	Huntington Bank
Jonathan Green	Meaden & Moore, Ltd.
MJ Hilker	Alliance Business Lending
Kirsty Hull	Newmark Grubb Knight Frank
David Kinzel	KeyBank
Michal Klein	Ciuni & Panichi, Inc.
Richard Kretschman	Fifth Third Bank
Arnold Lockett	Cuyahoga County Dept. of Economic Development
Steven Lorenz	Kamm's Corner Development Corp.
John Moshier	ReadyCap Lending, LLC
Ben Norton	Buckeye Bank
Daniel Prendergast	Meaden & Moore, Ltd.
Alan Scheufler	Ulmer & Berne, LLP
Kevin Schmotzer	City of Cleveland
Ronald Schultz	First Federal of Lakewood
John Tubbs	Towards Employment
Mark Windnagel	Huntington Bank

GROWING OUR



## LOAN REVIEW COMMITTEE

Lawrence Allen	Dollar Bank
Timothy Breckner	Colliers International Real Estate
Gloria Gates	PNC Bank
Wesley Gillespie	Huntington Bank
David Kinzel	KeyBank
Michael Klein	Ciuni & Panichi, Inc.
Arnold Lockett	Cuyahoga County Dept. of Economic Development
John Moshier	ReadyCap Lending, LLC
Daniel Prendergast	Meaden & Moore, Ltd.
Ronald Schultz	First Federal of Lakewood
John Tubbs	Towards Employment

## SERVICING COMMITTEE

Vince Adamus	Greater Cleveland Partnership
Bill Beard	Fifth Third Bank
Mark Kutylowski	(I have no info on this)
Alan Scheufler	Ulmer & Berne, LLP

PEOPLE

## STAFF

Hazel S. Chama	Loan Processing Manager
Juan Hernandez	Business Development Director
Kate Kerr	Program Director SBA Community Advantage Loans
John Kropf	President and Executive Director
Betty Rich	SBA Community Advantage Loan Processing Officer
Denise Sisley	Administrative Assistant
Robert Schordock	Loan Servicing Officer
Jeff Sozio	SBA Loan Officer





**[www.GrowthCapitalCorp.com](http://www.GrowthCapitalCorp.com)**  
IMG Center, 1360 East 9th Street  
Suite 950  
Cleveland, Ohio 44114  
**216.592.2332**