

GABB TODAY

THE NEWSLETTER OF THE GEORGIA ASSOCIATION OF BUSINESS BROKERS

Are you Mad ??? Find out Why

By Kathyne A. Pusch

Not crazy. . . but angry? The business marketplace is a pressure-cooker, especially with the financial demands of the last few years. Our personal lives are often very stressful as well. All this stress can sometimes lead to behavioral reactions that surprise us—we never knew we



anger. We choose our own behaviors. Dr. Sam Peeples, an inspirational author, says “The circumstances of life, the events of life, and the people around me in life, do not make me the way I am, but reveal the way I am.” “A fool gives full vent to his anger, but a wise man keeps himself under control.” (Proverbs 29:11) I have in my office the “Attitude” sign, as I call it, and I have noticed it in many of my clients’ offices as well. Charles Swindoll, an evangelical Christian pastor, wrote “I am convinced that life is 10 percent what happens to me, and 90 percent how I react to it.” And so it is with you. . . . We are in charge of our attitudes.”

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could behave that way, or think those thoughts. We see people of all ages blaming their often incredible reactions on anger. “I was so mad I could not even think” is actually TRUE. Allowing anger to take over blocks one’s ability to think rationally.

Did you ever hear a friend or client say, “Well, I would never had reacted that way if he/she/you had not done that?” People want to blame their anger and their resultant behavior on someone or something else: a broker, a buyer, a seller, a spouse, a child, or maybe just a rude driver in awful traffic. We may actually think of that event or person as the source of the anger. This is not true. No one or no thing is the source or OUR own anger. It comes from within us. We choose to give vent to our own

Attorney to Speak About Tax-Saving Law on May 31

Attorney Germaine Curtin, who specializes in corporate, general business, and tax law, will describe and explain a section of the tax law that offers tax advantages for business buyers. Under I.R.S. section 338 (h) 10, the purchaser of a business through a stock sale can structure the transaction as if it were a sale of assets, which allows an increase in depreciation and tax benefits.

The meeting starts at 10:30, preceded by our 9:45 a.m. networking breakfast.

Shannan Collier of the Law Office of Shannan S. Collier, PC, 404-419-7113, is the presenting sponsor for May.

What's Making you Mad? - *continued from front*

Outbursts of anger can be likened to the red warning lights on your car dashboard. They are not the problem. They are the indicator that there may

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**Most anger is linked to fear
Fear of failure, of rejection,
of not getting what we think
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be a serious problem with one of the critical systems that keep your vehicle running at top performance. You know that you ignore them at your own risk. You know that it is your responsibility to investigate the source of the problem triggering the warning light. So it is with angry behaviors. You ignore the signal at your own peril. If you are angry, it would benefit you and all those around you to take the time and make

the effort to discover the core issue within yourself that is the true source of that anger. Most anger is linked to fear—fear of failure, of rejection, of not getting what we believe we are entitled to, and often a fear of the unknown.

If you have stress and fears related to your career, GABB offers many support systems to ease the fear of the unknowns ahead. Take advantage of all that GABB offers to make you more professional and effective with your clients, customers, peers, and strategic partners. Your association is here to help you with your continuing education, keep you on top of changes that will affect you, and provide many opportunities for networking with true professionals who can keep some of the pressure off you as you navigate the many difficult situations inherent in the marketplace.

Kathryne A Pusch, Pres/Broker, ConsultKAP, Inc.
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Welcome New GABB Members

Following are the new members in February, March and April,

Broker/Associate/Active Members

William “Pepper” Kelly
Dominique Maddox
Dr. James T. Walker III

Active Member, Broker for Pepper Kelly & Associates
Associate Member, Agent with We Sell Restaurants
Associate Member, Agent with Caldwell Banker
Commercial Metrobrokers

Affiliate Members

Jeffery Cunningham
Gwen Hulsey
Binta Kindle
Bud LaRosa
Robert Ng
Earl Scurlock

Partner in Foltz Martin, LLC Legal Firm
Business Banking Relationship Mgr., SunTrust Bank
Assistant V.P. with GA Certified Development Corp.
Partner in B2B CFO
Principal with Atlanta Best Insurance
Vice President with GA Certified Development Corp.

FORMS COMMITTEE

Keeping Listings “Legal” with a Certificate of Resolution



By G. B. “Nick” Nicholson, CBI

Did you obtain a corporate resolution when your seller signed your listing agreement? Do you know your commission can be at risk without that resolution?

Most of us are so glad to get a signature on the listing agreement that we immediately start marketing the business. How do we know if the business owner is authorized to sell the business? He might not even own the business. This condition is especially true with LLCs and Limited Partnerships. Who can speak for the LLC members and the partners?

Most of the time, we may not need the resolution. However, have you ever been close to closing and found out that the secretary of the corporation, the one who has to sign and approve all documents, is the owner’s ex-wife and she now lives in South America? Or that the owner’s father is the actual owner? Having the appropriate person sign the resolution should begin to uncover discrepancies.

We know for C and S corporations that the secretary signs documents. The person designated to sign for LLCs and Partnerships can vary. Attorney Gary Whitaker points out that we brokers need to make sure to follow the provisions of the underlying organization documents.

Whitaker owns Whitaker Business Law, is an experienced mergers and acquisitions attorney, and a fairly new member of GABB. He voluntarily drafted new Certificates of Resolution for the GABB Forms Committee and GABB members. These simple forms have only a few blanks to complete and are available now to broker and agent members. Gary also wrote instructions for using the forms.

The forms are on the BBMS site under Forms and appear as:

G102A1 Cert of Resolution C or S Corp

G102A2 Cert of Resolution LLC

G102A3 Cert of Resolution Partnership Limited

G102A4 INSTRUCTIONS for Certificates of Resolution

A Certificate of Resolution should be a part of your listing agreement package. Use the resolution when listing to make the closings go smoother and to protect your fee.

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CODE CORNER: The Good, The Bad, The Ugly?

By Art Lennig, CBI, BCI / *Murphy Business & Financial Corporation - Georgia, Inc.s*

Article Two: The Business Broker shall make reasonable efforts to protect the public and all parties to a transaction against fraud, misrepresentation, or unethical practices with respect to the subject business transaction.

Simply put, it is our responsibility as Brokers to know the facts about our listings. This includes the good, the bad, and the ugly. It is our responsibility to disclose all facts about a business that will cause harm to the Buyer. If we disclose these up front, we can continue with the deal. If these facts are discovered during due diligence, it could kill the deal. If the facts are not disclosed, you open yourself and your client to a fraud suit.

Appetite for Acquisition *Eric and Robin Gagnon write how-to Book.*



Six out of every ten startup restaurants fail. GABB President and restaurant broker Eric Gagnon and his wife and partner Robin Gagnon penned **Appetite for Acquisition** as a guide to buying an existing restaurant to help potential buyers beat the odds. Published this spring by Tate Publishing, the book tells readers how to acquire a restaurant in a way that is less painful, more profitable, and delivers a better return on their investment. Robin says response to the book has been good. One man called Eric from London saying he'd "read the book and found it very helpful for learning about how to buy a business."

Affiliate Spotlight

Bud LaRosa, Partner

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GABB Affiliate since March



How long have you been with the company, and what role do you play within your company?

Seven months. I am a partner who provides fractional (i.e. part-time) CFO services to small and mid-sized business.

What is the focus of your company, and how does it differentiate itself?

We focus on helping small and mid-sized businesses generate cash; in fact our company slogan is: "Cash, we help you get it." We differentiate ourselves by working for clients on a part-time basis while most of our competitors work on a full-time, interim basis. B2B CFO partners have at least 20 years experience at the C-level. Our clients benefit from more than 5,200 years of collective experience - which we routinely share with each other through our corporate intranet.

What are your company's target markets?

Privately held companies with revenue from \$1 million to \$75 million.

The most important thing you've learned in business is: Choose your people wisely: they can be your most valuable assets. Hire slow and fire fast.

Your best sources of business referrals are: My clients. They send me the most referrals.

What do you read daily?: I follow quite a few news agencies and influential people on Twitter. I read my Twitter and Facebook feeds on my phone using a tool called Friend Stream every morning to find out what is going on in the world and with my friends and family.

What led you to your current business? I have worked in a few turnaround situations as well as exits. It seemed to be a natural fit for me. My value proposition to business brokers is to bring me your "NO's," and I may be able to bring them back as a "YES" for you to sell in six to 12 months.

Professional & Personal Affiliations/honors:

Construction Financial Managers Association,

Buckhead Business Association, Brookhaven Community Connection, Atlanta Electronics Commerce Forum, QuickBooks Pro Advisor. Baseball Coach, Northside Youth Organization, Dunwoody Senior Baseball. Have helped both Christopher League and Challenger League - Baseball organizations dedicated to helping kids with disabilities play baseball.

All about Bud:

My wife Elizabeth and I have two teenage children - Alex and Owen. I am originally from Boston, and we have lived in Georgia since 2003 and now live in Buckhead. When not working or volunteering, I spend my time reading books about history, watching the Boston Red Sox on satellite TV, and running. I have qualified for and run the Boston Marathon, as well as several Peachtree Road Races.

Accomplishments: Professional - Instrumental in the successful turnaround of three different business entities. Personal - Qualified for and ran the Boston Marathon .

Tips/Advice for GABB Members:

More businesses will sell or transfer to the next generation in the next 20 years than at any time in the history of the country. Plant many seeds today and you will reap the benefits in the years to come.



THE LENDER MINUTE

By Carolyn Robinson,
Vice President and Loan Officer,
Community South Bank



National News:

More lenders are getting into the SBA business lately because of the stagnation of conventional lending and the attractiveness of government-guaranteed loans. In just the first seven months of the 2011 fiscal year, which started Oct. 1, 2010, SBA lenders have approved more than 32,000 loans worth \$12.7 billion. The SBA 7(a) program is one of the most successful private-public partnerships in the federal government. In early May, more than 360 people attended the 37th convention of the National Association of Government Guaranteed Lenders (NAGGL) in Atlanta, which was a big number for a recession. The convention included continuing education and networking among NAGGL members, who include lenders active in SBA 7(a) and 504 programs, and also the USDA B & I program, both in Georgia and nationwide. NAGGL's mission is to keep the SBA programs viable, adequately funded, efficient, and available to small businesses. We all know small businesses create jobs.

Local News:

My institution, Community South Bank, approved and closed 11 loans between Oct 1, 2010, and March 31, 2011. I use business brokers quite a bit and recognize that they serve as an important link to the borrower. On all of these deals, I paid a broker fee of one percent of the loan amount.

What does this mean to you as a business broker? Deals are being approved and closed for business acquisitions, start-ups, expansions--especially buying commercial real estate, and re-financing. Good deals are hard to find, but they are out there!

Franchise news

FRANdata has vastly improved the Franchise Registry website that includes more information about franchise disclosure documents (FDDs), certificates of no change, listing agreements, addendums, etc. (www.franchiseregistry.com) If the franchise is not on the registry, then go to www.sba.gov/content/franchise-findings, for more information and to review the agreement.

Summary:

Now that the stimulus provisions of the American Recovery and Reinvestment Act of 2009 with the 90% SBA guaranty and no guaranty fees have expired, access to credit is still a problem for main street businesses. The jobs bill did allow the 90% guaranty to remain for SBA loans that qualify as export loans, so that will help with the bank's approval. I think the conventional credit market will not be near normal until sometime in 2012. Last year I made the same statement, but wrongly predicted 2011!

If you have any questions about the SBA lending programs, or want to pre-qualify a transaction, please call Carolyn at 770-971-8893 (direct) or 770-639-6734 (cell) or email me at crobinson@communitysouthlending.com



Like GABB on Facebook!

Following our Facebook seminar in April, GABB Today editor Diane Loupe created a GABB FaceBook Page. Please "like" us on the page and use it to add notices of upcoming events.

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☆☆UPCOMING EVENTS☆☆

GABB meetings are held on the last Tuesday of every month, except December.

In 2011, GABB meetings will be held on
May 31, June 28,
July 26, Aug. 30, Sept. 27,
Oct. 25 and Nov. 29.

8:30 AM -GABB Board Meeting
9:45 AM -Networking/Breakfast
10:30 AM -Membership Meeting
12:15 PM-Committee Meetings



To contact a GABB member or affiliate, go to www.gabb.org To suggest an article for the newsletter, contact the editor at dloupe@mindspring.com

Join GABB in 2011

If you are interested in discussing membership in GABB, please go to www.gabb.org and send the completed Membership Interest Form to initiate contact with our Membership Committee, or contact the GABB Membership Chairs Paul Cushman pcushman@cushmanassociates.com 770.752.4240 or Tom Burdick tom@bekbrokers.com 678.807.9189.