

HOW GREAT CAN WE ALL MAKE 2008?

BY JAMES WELCH, PRESIDENT

It is very gratifying being elected by your peers to serve in a leadership capacity. I thank you for your confidence and I promise to do my best working alongside the very talented Board you have also elected. Your election of me to serve our GABB as President for 2008, however, is not only gratifying to me, it is also very challenging. I have never been a person satisfied with the "status quo" or doing things the same way because "that's the way we have always done it" or looking at a glass like it is half empty. I am certainly not saying that we have done or are doing anything wrong, because we are actually doing a lot right. I am only saying that there may be ways for us to improve and adapt as our world is changing. So, here is my plan as I work to lead GABB in 2008. I have established my three main personal goals:

Build awareness of GABB with our clients and customers through a well planned marketing strategy, and increase our membership in every member category. Attract more Active (Broker), Associate (Agent) and our network of valued Affiliate Members, through our educational programs and our desire to invite people in to be a part of GABB. I believe the more people involved from all aspects of our industry that we are able bring into our organization, the more we all will flourish in the long-term.

Involve more of our members on more committees, in more activities, thinking outside the box to open our minds to new and improved ideas for the advancement and benefit of GABB and all its membership.

Raise the interest and the attendance level of our monthly meetings, from the meaningful Affiliates Corner networking sessions to the Agenda itself, with a focused effort on inviting as many higher profile speakers as we can, from all walks of life.

Doesn't sound like too much, but it actually is a lot to undertake. And these are just my goals, what are

yours? You should also know that I have challenged your new Board of Directors to not only bring their ideas and goals to the table, but also to reach out among the membership and solicit volunteers for the various GABB committees, and ask you for your ideas as well. Our GABB can be as strong an organization as we want it to be, but it has to be everyone's goal, not just the ideas and goals of a few. Near the end of 2007 at last count, we had some 170 total members, 130 Active and Associate members and 40 Affiliate members. While that is the largest our association has ever been, and we should be proud of that, we know that there are literally hundreds of others involved in our Business Brokerage industry here in Georgia that are not yet involved in GABB and they should be, because we are the only association in the State. As I write this article, it still remains to be seen if our 2007 closed sales will in fact beat our sales for 2006. We did not quite meet our goal of 400 active and available listings in the BBMS by the end of 2007, but we have made progress and with a commitment from everyone to a record 2008 for your business, I am confident we will establish new records across the board! How much did you participate in 2007? How much more will you participate in 2008? How much better will your own business be in 2008?

2008 is an election year. There are many hot topics involving our country, from politics to the war to global warming. Our state faces a water crisis, a restructuring in the Real Estate market and the banking industry is in a correction period as it faces billions in write-offs of bad mortgage loans. We need to realize that all this does, has already and will continue to affect us and our business. Certainly we are much stronger as a group than we are as individuals. The old saying "a chain is only as strong as its weakest link" is very true here. Will you be a strong link in 2008? I look forward to the challenge and I ask for your support and involvement all year long!

What's the deal with Working Capital?

A unique look at Asset Based Lending

By Marc Smith

Cash is King. We've all heard the expression, but if you haven't owned your own business, you likely haven't given it serious thought.

When a business is for sale, most people first want to know about the total revenue (sales) and the net income (profit). These two factors are extremely important, but any business owner would argue that there is another factor that is more important than these two: Operating Cash Flow or Working Capital. Profits are great, but no matter how much money is coming in the future, a business can't continue to operate if it doesn't have enough cash to cover this week's payroll.

Let's use an example of a recent business acquisition. XYZ Company is acquired by an eager buyer who uses an SBA Loan to finance the transaction. Everything starts out great for the new owner: their new business is growing, sales are up and they are enjoying the rewards of self-employment. XYZ Company has many new orders to fulfill or new contracts to service as a result of this growth. The working capital costs associated with this expansion are typically paid up front while the company won't receive the benefits until the customer remits payment (sometimes months down the road). As the new opportunities develop, the up front costs associated with these opportunities keep increasing. Before long the owner is looking at a significant cash gap from what is owed to suppliers now versus the cash that customers will not remit for another 30, 45 days or more.

The owner realizes that with the recent growth, there is a need for a line of credit. Obtaining additional funds or

refinancing with the SBA Lender typically isn't an option, so they inquire with their local bank for conventional financing. This presents a problem: all business assets are already collateralized with the SBA Loan, leaving the bank with no collateral. Therefore, the bank is not willing to extend the company a line of credit. This leaves the owner in quite a predicament: sales are up and the future looks bright; however, the short term cash flow constraints are keeping the company from taking advantage of that growth.

It is this type of situation that can potentially be resolved with an Asset Based Loan. Typically secured by Accounts Receivable, an Asset Based Loan provides working capital to a business. It does not add cash to the business, it simply accelerates cash flow by allowing a business to borrow against the future value of its receivables that are expected to become cash in the near term.

The SBA Lender is many times willing to "release" the Accounts Receivable to the Asset Based Lender because this provides the company with additional liquidity. By working with the Asset Based Lender, the company now has the capital it needs for growth without worrying how it will meet its short term cash demands.

Marc Smith is a Vice President with Magnolia Financial, Inc. an Asset Based Lender that provides Accounts Receivable Financing and Management to growing companies that are typically unable to obtain traditional bank loans. He can be reached at msmith@magfinancial.com or (404) 664-7037.



2008 DUES INVOICE

Due no later than January 31, 2008

Current Members: Make Check Payable to GABB and Mail to:

Art Lennig
Murphy Business & Financial Corporation
P. O. Box 801170
Acworth, Georgia 30101

COMPANY OR INDIVIDUAL ACTIVE MEMBERSHIP (BROKERAGE):	\$ 145.00
ASSOCIATE MEMBER/AGENT OF ACTIVE MEMBER:	\$ 125.00
AFFILIATE (NON-BROKERAGE SUPPORT PROFESSIONAL) MEMBERSHIP:	\$ 125.00
AGENT OF AFFILIATE MEMBER:	\$ 125.00

"I'm eligible for renewal under the terms of the Attendance Requirements. Enclosed is my check number _____ in the amount of \$ _____, which is payment in full for my 2008 dues."

"I am not eligible for renewal as I have not met the minimum Attendance Requirements. In addition to Dues, please find the \$100 Re-Application Fee. I understand the Membership Chairman may contact me for any additional information required to process my Membership Re-Application. Check number _____ and total amount \$ _____ remitted."

NAME _____
Company _____
Product/Service (Affiliate Members) _____
Company Address: _____
Office Phone: _____ Fax Number: _____
Pager: _____ Cell: _____
E-Mail Address: _____ Web Address: _____
Spouses Name: _____ Home Phone _____
Home Address: _____

I am up-to-date in my GABB payments to BizMLS, a requirement of Active (Brokerage) Membership _____ (signed)

Not a member, but want to join GABB?

Contact Art Lennig at 678-852-6228 for an application package.

2007 GABB HOLIDAY PARTY

A Real Holiday Treat for Members & Guests!

Some 110 members and their guests attended the gala holiday event held on Tuesday, December 11th at the Norcross Hilton Hotel. With an exciting array of appetizers, assorted cheeses and spreads, the succulent shrimp and crab claws raw bar, the carved prime rib, roasted turkey and lamb chops and the delightful and tasty desserts, nobody left hungry! First class entertainment from "The DJ to the Stars" and singer "Pat Sallarulo" added a special flair to this years event. Dancing and Karaoke made for a fun evening and we even heard a solo from our own Joe Sofet, who is a great singer as well as a great Business Broker! Our sponsors made it all happen. Without their generous financial support we could never have such a wonderful evening. Please take the time to personally thank each and every one of these fine sponsors and please remember to call on them for the services they offer our membership. For those members who missed the event, you will have to wait another year!

DIAMOND \$500 SPONSORS:

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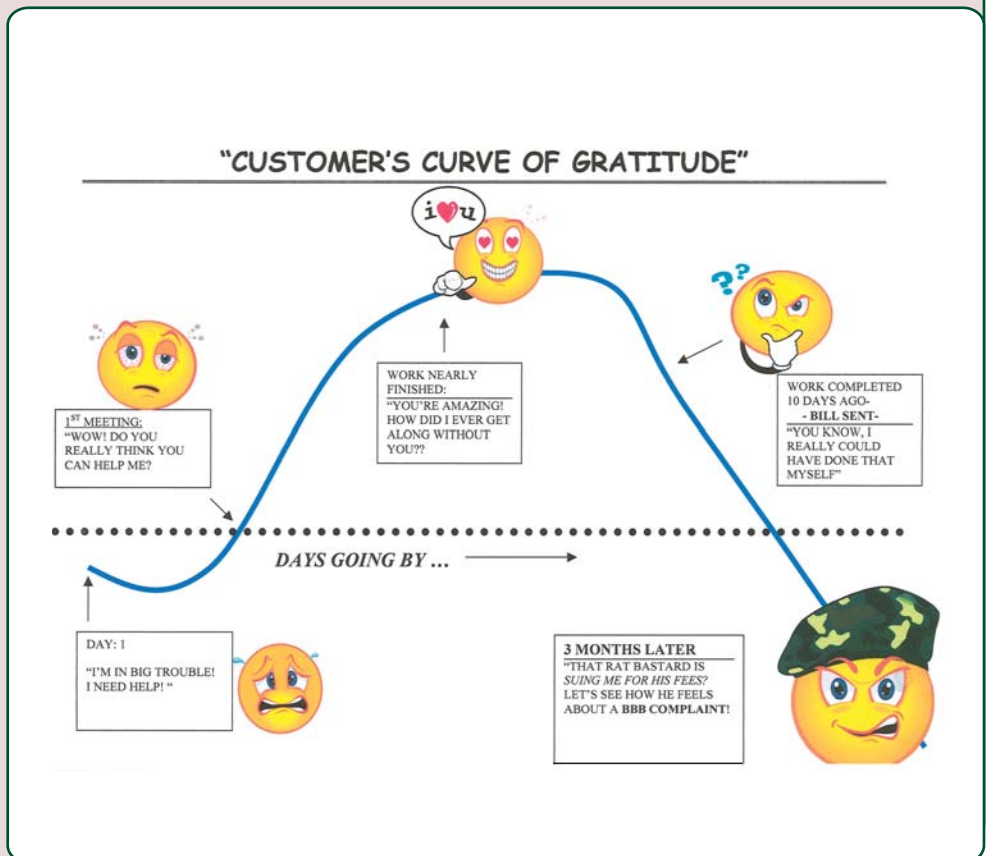
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 TO ALL THESE
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 OF OUR
 2007
 HOLIDAY
 PARTY!**



EDITH CARROLL

SVP - Small Business Lending

High Trust Bank | 770-945-4729 work, 678-234-2475 cell, 678-482-0750 fax

GABB Member: Affiliate, (Member since 2006 with another affiliate lender member)

How long have you been with the company?

3 months

What is the market focus of your firm: what does it do?

Lending – commercial and residential builders. Deposits – traditional bank that is over 100 years old (was Southern Horizon). Commercial lending we focus on SBA, USDA, CRF, Conventional, and Investment property real estate financing

What role do you play within your company?

New loan development

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

Commercial lending – SBA and conventional but we also will take the time to underwrite as USDA and CRF. We are small but very creative in our financing options as well as quick in the decision making and closing process.

What are your company's target markets?

Hotel, C-store, investment and multi-use commercial real estate financing. Also business acquisitions with real estate, as well as franchise financing.

What led you to this line of work?

30 years ago started as an Investment advisor yet converted to lending money 10 years ago.

Have you always lived in Atlanta? If not, where else?

Lived in Atlanta 1st 15 years of my life; then Minneapolis, Chicago, and Houston until coming back to Atlanta 15 years ago.

Professional Affiliations

Georgia Lenders Quality Circle member

Personal Affiliations

Executive Board Member/Team Coordinator for NGHS Varsity Competition and Football Cheerleading team.

Team Coordinator for All-star competition team Atlanta Jayhawks

St. Columba's Episcopal Church member

All About You

I don't have much time for hobbies as my work and daughters take up most of my waking hours! My hobbies include working out, driving my girls to their sports and entertainment events, decorating my house, cooking and yard work. I have 2 labs, black and chocolate, and 1 cat who also take up my time as they want their attention and play time too. I enjoy being with my friends when I have a spare moment, which is seldom – going out for a nice low key dinner and drinking good wine!

Accomplishments

My greatest accomplishment is raising my twin daughters (now 15 years old) as a single parent.

Tips/Advice for GABB Members

Let me work with me on getting your deals closed. I can pre-screen your potential deals – to qualify what type buyer will be approved at what level of pricing.

WWW.GABB.ORG

877-680-8891
ATLANTA, GEORGIA 30338-5504
4780 ASHFORD DUNWOODY ROAD, SUITE A-241
GEORGIA ASSOCIATION OF BUSINESS BROKERS



NEW MEMBERS

Affiliate Member:

ERIC LYONS
Bernstein Global
Wealth Management
3425 Piedmont Road, NE
Atlanta, GA 30305
404-279-4918
Eric.lyons@bernstein.com

Associate Member:

LAVONDA HOERDEMANN
MetroBrokers/GMAC
Real Estate
3330 Satellite Blvd. Suite 1
Duluth, GA 30096
404-843-2500
Lavonda.hoerdemann@metrobrokers.com

PENDING MEMBERS

Affiliate Member:

GLORIA S. LEWIS, CPA
The Lewis CPA Firm Inc
115 Perimeter Center Place NE
South Terraces, Suite 435
Atlanta, GA 30346-1275
678.990.9082 x-102
Gloria@LewisCPAFirm.com

Active Member:

THOMAS VARGHESE
National Resources, Inc.
1946 Dogwood Road
Snellville, GA 30078
678-245-4626
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PG.6

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