

“STEP UP TO THE PLATE & GET INVOLVED”

By Peter Antoniadis, GABB Secretary

As a member of the GABB Board of Directors, each one of us takes a turn at contributing the feature article each month. With so many topics that could be addressed, the one that comes to mind is the reason that I joined GABB in the first place. My reason for membership is most likely similar to yours: Our association provides an excellent opportunity to network with fellow Business Brokers in an environment conducive to getting deals done, while learning new skills and educating myself to be a better advisor and advocate for those Sellers and Buyers with whom I make a living!

The CEOs of large and small companies place their trust in Business Brokers with the understanding that we are professionals at what we do. It is expected that we can guide them through the rather complicated process of preparing their businesses for sale or selling their businesses, as well as assisting with expansion or acquiring a new business. In that process of negotiating and closing a transaction, many opportunities involve co-brokering with other trusted professionals who may be members of our organization, the GABB! When we place confidential information into the hands of another Business Broker, our Sellers and Buyers trust the fact that we work with other professionals in our industry. It is expected that other Business Brokers display the same level of knowledge and integrity that our clients and customers have come to expect from us!

The GABB is an association of individuals who have a high level of experience and knowledge about the practice of Business Brokerage. Our membership also includes individuals who are highly knowledgeable and experienced in their respective affiliated industries who provide services necessary to close the sale of a business. However, our association also includes many members who are new to the Business Brokerage industry or have limited experience. One of the many purposes of our association is to provide an opportunity for all of our members to network and learn from each other to become

more knowledgeable Business Brokers, while gaining more experience in the process. When experienced Business Brokers are willing to share their knowledge, the situation of working with an inexperienced Business Broker will be less challenging and more productive. It is important that we provide an inviting, inclusive and nurturing environment for all of our members—new and old. I am honored and willing to work with a new, less-experienced member, and to share knowledge and guidance in order to help them become a better advisor and advocate for their clients and customers.

The purpose of the GABB is to have an association of Business Brokers who are willing to co-broker—understanding that “half of a pie is better than none at all.” The BBMS Rules and Regulations, as set forth in the GABB By-Laws, explain the reason and foundation for the existence of the GABB—to create an atmosphere of cooperation and networking with fellow Business Brokers. If the Rules and Regulations are understood and applied properly, transactions should proceed without incident or problems. It is important that the more experienced members share this philosophy consistently and help the newer, less-experienced members to achieve the same standards that are expected of them, using the guidelines documented in the Rules and Regulations.

CONTINUED ON PG. 2

MEETING NOTICE: TUESDAY - JUNE 30, 2009 AT 10:30 AM

“A MID-YEAR UPDATE ON THE ECONOMY”

FEATURED GUEST SPEAKER – ROGER C. TUTTEROW, Ph.D.,

Professor of Economics, Stetson School of Business & Economics, Mercer University

**** NETWORKING STARTS AT 9:45 AM ****

AFFILIATES CORNER:

CHERYL BEER OF GEORGIA PRIMARY BANK

“Please join Cheryl Beer as she hosts our popular Affiliate’s Corner Networking starting at 9:45 AM. Be early for some great complimentary refreshments!”

MEETING COORDINATOR: SANDRA DOHN

NEW MEMBER ORIENTATION

All New Members are required to attend the New Member Orientation on Tuesday, July 28th, beginning immediately following the regular GABB meeting. Various Committee Members will discuss important information about GABB By-Laws, Co-brokerage, the GABB Code of Ethics, Forms and other topics. Lunch will be provided - RSVP with J. Snyppe at j@preferredbrokers.com, or 404-966-5989, to order your lunch and materials.

THE CODE CORNER by James Welch, GABB Past President

In accordance with Georgia Law under BRRETA, your listing agreement with a Seller should be in writing, and you should be using the GABB Listing Agreement. The GABB Forms Committee (chaired by Nick Nicholson) includes several Affiliate Member attorneys who have designed and updated the GABB Listing Agreement to be a very well-written document that will hold up under legal scrutiny. ONLY Exclusive Right-to-Sell Listings can be posted on the BBMS. If your listing is not an exclusive listing, Georgia Real Estate Law requires you to disclose this to cooperating brokers. Article Nine of our GABB Code of Ethics addresses this issue.

GABB Code of Ethics, Article Nine: "The listing of a business should be in writing, in accordance with Georgia Law under BRRETA. It is urged, though not required, that the listing be an exclusive listing. Only exclusive listings may be offered in the Association multi-list. If a listing is not exclusive, full disclosure must be made of that fact to any co-operating brokers."

"STEP UP TO THE PLATE & GET INVOLVED" CONTINUED

As we are recruiting new members to join the GABB, the Board has been faced with the difficulty of applying the Rules and Regulations strictly and consistently. Many Business Brokers in our community avoid membership because they believe that we are lax in the application of our Rules and Regulations, which are created to protect the membership, not to hurt them. The GABB wants to be inclusive and all-encompassing for the benefit of all Business Brokers in our region. Without consistent adherence to our Rules and Regulations, it will become increasingly difficult to attract new members, and our organization may become less effective and consequently less influential! It is the goal of the current Board of Directors to strengthen the Rules and Regulations and make our organization a strong "network" of Business Brokers who are well-educated and professional, and who cooperate with each other to successfully close transactions.

If you have questions or issues regarding these Rules and Regulations, the forum for addressing any concerns is by contacting a member of the Board of Directors for further explanation. The most efficient way to express your concerns is in writing so that the Board can review and respond to each issue. In some cases, significant issues may be brought up at the General Meeting for discussion. If it is to the benefit of the entire GABB membership and agreed upon, this may lead to a revision of the By-Laws in order to reflect these new ideas! Another way of expressing your ideas is by getting involved with the GABB, either by volunteering to join a committee or by becoming a member of the Board. Becoming involved in the day-to-day activities of running the GABB can provide an enlightening and constructive way to understand the Rules and Regulations, to ensure that they are applied consistently and to influence any new ideas that benefit, educate and grow our membership.

So in conclusion, let's ALL work together, in harmony, for the good of the entire GABB. The main objective of the current Board of Directors is to achieve a strong membership of Business Brokers who are successful, educated, professional and influential in Georgia! Don't be shy about taking an active role in making the organization bigger and better! Don't sit on the sidelines looking in—without sharing your new ideas! Join committees, become a Board member and get involved. Now is a great time to put your ideas and experience to work with a very knowledgeable, experienced team of Business Brokers who step up to the plate and carry the load of building a stronger association. The ability to share your knowledge and experience, as well as to network with your peers, is a privilege and makes for a better GABB and its future! Above all, let's be professional in a professional organization!

IBBA International Conference

By Henry L. Hicks, CBI, Fellow of the IBBA
Chair, IBBA Conference Committee



Thank You!!! ...to all those who participated in the GABB parade into the opening of the IBBA Conference on Friday, June 12th, led by Van Watkins, GABB President! The Conference attendees were very impressed with the number of GABB members present, and our presence demonstrated many of the points discussed by the first Keynote Speaker, whose subject was leadership! You looked great in your white vests!

The highlight of the Thursday evening reception for Conference attendees, held in the Trade Fair, was the roving barber-shop quartet, "Martha's Finest" from Berry College. This outstanding group was recruited by Pat McDonald, who coordinated all the arrangements. They sounded terrific and even serenaded Andy Cagnetta, Chairman of the IBBA Board of Directors.

At Friday's luncheon, Conference attendees enjoyed an excellent presentation by Charles Jay, sharing the history, purpose and activities of the GABB. We learned that the GABB has been in existence for 21 years, and the IBBA is only four years older and celebrated its 25th Anniversary during the Conference. Two of the five founding members of IBBA actually got their start as Business Brokers right here in Atlanta—Connie and Bill Womack, who are now retired and living in Suwanee.

The GABB information table was coordinated by Dave Chambless, with staffing arranged by Michael Ramatowski. Thanks you to all who assisted with furnishing the table.

Also, a special thanks to those who donated items for the Business Intermediary Education Foundation (BIEF) Silent Auction held at the Friday evening reception for Conference attendees. The BIEF was formed a few years ago to assist with and compliment the long term educational and professional development goals of IBBA.

A big "Thank You" goes to everyone assisting with GABB's role as regional host of the IBBA Conference.

THE LENDER MINUTE

BY: EDIE CARROLL, HIGH TRUST BANK

Secondary Market

Secondary market premiums continue to increase for SBA 7(a) loans. This is great news because this frees up more funds for the Lenders to make new loans to borrowers.

Listing Price versus Qualifying Price

With the tightening credit standards and the appraised values lower, the seller and listing broker must be realistic about the asking price for their business and real estate. The most current FYE 2008 cash flow for the operating company must be sufficient to service all debt (typically 1.20 times the debt).

Here is a scenario I had reviewed for a GABB selling broker/agent: Purchase Price: \$3,365,000, allocated as \$2,750,000 Real Estate, \$300,000 FF&E and \$315,000 Business Acquisition. BUT the operating company could only service debt for a \$3,015,000 Purchase Price. In this scenario, three factors affect the ultimate loan amount & final price:

1. **Cash Flow.** Most current year cash flow only supported a price of \$3,015,000 allocated as \$2,700,000 Real Estate, \$100,000 FF&E and \$215,000 Business Acquisition. The seller could hold a note for the difference, but it would have to be on stand-by for a minimum of three years up to a maximum of the term of the note.
2. **Revenues.** The trend of revenues had decreased in 2008. Lenders look for increasing revenue trends; the mitigating factors would be based on the buyer having excess liquidity—probably six to nine months—to service the debt and to be very experienced in this specific industry.

3. **Appraisal.** The potential for the appraised value to be higher than originally appraised in 2006 is questionable. The SBA limits the collateral value to 75% of the appraised value for Real Estate and 10% of the depreciated balance sheet value for FF&E.

100% Guarantee ARC Loan Program to Help Struggling Businesses

Beginning June 15, 2009, the SBA will start guaranteeing America's Recovery Capital (ARC) loans. ARC loans are deferred-payment loans of up to \$35,000 available to viable small businesses that are experiencing immediate financial hardship. Proceeds for ARC loans are limited to making principal and/or interest payments on existing Qualifying Small Business Loans (QSBL).

We (Lenders) stated that our concern with this program was "How is interest on ARC loans paid to the Lenders since the borrower is not being charged interest?" June 8, 2009 Procedural Guidelines stated they will pay the Lender interest equivalent to Prime + 2% based on the outstanding principal balance.

But most Lenders still do not want to finance because there is no benefit to the Lender. They lose money immediately, due to up-front costs to underwrite/package/close the loan. (We are not allowed to charge a packaging fee or underwriting fee.) There is a lot of ongoing due diligence, and we cannot sell the loan to the secondary market.

Fee Elimination and 90% Guaranty

These two SBA Stimulus Package enhancements are still available and create phenomenal opportunities for small-to-medium-sized businesses.

Feel free to contact me with any questions or deals you would like me to prequalify at 770-945-4729 or edie@hightrustbank.com.

Meet A Business Broker Member “Up Close and Personal”

JOHN PAUL THRASHER

Business Broker/Commercial Realtor

Josey Young & Brady Realty, LLC | Office: 770-683-1800; Cell: 770-328-3991

GABB Active Member Since 2009 | Business Broker Since 2009

How long have you been with the company?

4 Years

What role do you play within your company?

Business Broker/Commercial Sales/Leasing

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

JYB is a full service Broker offering an array of services relating to buying/selling Residential and Commercial Real Estate. The company added Business Brokerage services in 2009.

What are your company's target markets?

Atlanta Metropolitan Area with an emphasis in the South Metro Area. JYB is based in Newnan (Coweta County).

What led you to the GABB?

Added Business Brokerage to my real estate practice at the request of an existing Commercial Real Estate Client who wanted my help with selling his business. I affiliated with GABB because of the extensive Business Brokerage resources: Professional development; networking; technology; etc.

What experience did you have in before you became a broker?

Previously worked for Georgia Power in the external affairs organization for 24 years. The last six were in the community and economic development department. After leaving Georgia Power in 2002, worked for a public/private economic development partnership in Newnan. Joined JYB in 2005 to focus on the Commercial and Industrial Real Estate market in the South Metro Area.

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

Grew up in Athens, GA, from age 8 on and graduated from University of Georgia (UGA) in 1978. Joined Georgia Power, moved to Atlanta and lived in the Emory University area for 12 years. Moved to Newnan in 1990 for a job opportunity with Georgia Power.

Professional Affiliations

Newnan-Coweta Board of Realtors (Director), Atlanta Commercial Board of Realtors, Georgia Association of Realtors (GAR), National Association of Realtors (NAR), International Council of Shopping Centers (ICSC), Georgia Economic Developers Association (GEDA) & GABB. Also member of Newnan-Coweta Chamber of Commerce.

Personal Affiliations

Global Achievers (Chairman), Newnan Cultural Arts Commission, Newnan Community Theatre Company (Vice Chair), United Way Board, Habitat for Humanity, UGA President's Club, UGA Alumni Society (Life Member), and Gridiron. Crossroads Church-Newnan.

All About You

My father was career military officer and traveled extensively during his career. My first five years of school were in five different schools in five different cities. However, Georgia is home to our family. My mother and father graduated together from UGA in 1940. I enjoy history and genealogy. I'm also a loyal alum of UGA and am proud of the academic and athletic accomplishments of "Georgia's Flagship Institution."

I've been married for 24 years (and counting) to my wife Paula Crouch Thrasher (retired journalist for The Atlanta Journal-Constitution). We have one talented daughter (Caroline) who is a senior majoring in Theatre Performance at Columbus State University. Her mother and I hope she will graduate from college BEFORE she moves to NYC to pursue her dream.

Accomplishments

BBA Management, University of Georgia, Leadership Coweta, Leadership Georgia, Licensed Real Estate Agent in Georgia and Alabama

NIXON CHILDS

President

BVIREsources GROUP, LLC
(BVI STANDS FOR BUSINESS VALUE IMPROVEMENT)

Office: 770-562-0391; Cell: 770-778-7546
GABB Affiliate Member Since 2009

How long have you been with the company?

I opened the website a few months ago, but the BVI concept was created 20 years ago to help businesses become marketable.

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

Improve the value and marketability of small businesses.

What role do you play within your company?

Set the direction of the company, develop the tools and resource capabilities of the online services, coordinate partnerships.

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

BViresources is the “other” market for brokers and 250 times its current size. The tools and programs are administered by Program Managers (PM), who can be business brokers, and increases their opportunities to:

1. Convert more leads
2. Make more money and close more deals
3. Build future market-ready inventory
4. Improve their client’s options and success rate
5. Create M&A opportunities

What are your company’s target markets?

Initially, BViresources will rely on “licensed” brokerages, consultants and CPA organizations to administer the tools and programs for their clients. There are 14 markets overall.

What led you to this line of work?

After leaving the corporate world 20 years ago, I became a broker for VR for 9 months. After watching the faces of hundreds of Owners being turned down, I thought this was a huge market that was being ignored. So I began BVI Consulting Services.

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

No—Charlotte, Nashville, El Paso and Heidelberg to name a few.

Professional Affiliations

Currently, just the GABB.

Personal Affiliations

Carroll County Chamber of Commerce

All About You

I remarried at 60 to a perfect mate. Together we have four children, and eight “great” grandchildren. My wife has been a respiratory therapist at Kennestone Hospital for 23 years, and she is an accomplished cook. Most recent movie was Star Trek. Hobbies are golf, online poker and Sudoku. I like fast-read adventure books, scan several business newspapers daily and attend business webinars.

I like positive-thinking people, intellectual conversations, and intimate dinners and overnight getaways with my wife.

Accomplishments

In 1995, I wrote a white paper called “A 25-Year Economic Outlook” in which I envisioned a path to global economic unification and the methodology to achieve it. It has had a profound effect on my life.

Tips/Advice for GABB Members

If you’re not achieving your goal, try new strategies until you find one that works. If you’re not willing to change your strategies, then you’ll have to change your goal.

☆☆☆ UPCOMING EVENTS ☆☆☆

June 30th

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

August 25th

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

July 28th

8:30 AM -- GABB Board Meeting
 9:45 AM -- Networking
 10:30 AM -- Membership Meeting
 12:15 PM -- Forms Committee Meeting
 12:15 PM -- New Member Orientation

NEW MEMBERS

GEORGE RICE
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 Investments, Inc.
 Associate Member
 770-491-3710

RAY WILKES
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 770-491-3710

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KERRY B. LAZAROVA
 Pritchard, Ball & Wise
 Affiliate Member
 404-874-4499



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