

TO BE YOUR BEST—WHEN TIMES ARE NOT THE BEST

By Kathyne Anne Pusch, CBC
Broker/President, ConsultKAP, Inc.

The Georgia Association of Business Brokers (GABB) provides a great support system to enable you to be your professional and ethical best in assisting your clients and customers and working cooperatively with other Business Brokers. Business Brokerage is complicated - fraught with many opportunities to excel, and "opportunities" to get yourself or your business into trouble. When times are as tough as 2009, there is a tendency to lower one's standards, to rationalize cutting corners, to justify behavior that you may not be proud of in retrospect and to make short term choices that will not benefit your business in the long term. As Business Brokerage professionals and licensees, we have responsibilities, obligations and standards beyond those in many "jobs" out there. Of course, we also want to improve that business bottom line!

*This is a tall order---for excellence in performance AND integrity in behavior each and every day. . .but You are up to it. Here are some guidelines to help you to **Be Your Best Even When Times are NOT the Best:***

1. Remember for Whom You work, and Act Accordingly.

Unintended and/or undisclosed dual agency is bad for everyone involved. We all know that we must create a win-win situation to close a deal, and Listing Brokers often must work with buyers who are not represented. If you are the Listing Broker, be sure that buyer customers know whose interests are primary to you—your client, the Seller. If you are the Selling Broker, be sure that everyone knows your Agency status in each transaction. If you are representing both parties to any transaction, you must obtain informed written consent from both.

2. Build Tomorrow's Business, but Practice Only in Your Areas of Competence and Certification.

It is great to be the "go-to resource." When people have business questions, they think of you! Keeping yourself in frequent contact offers opportunities to build trust and confidence. This is a long-term business. It might be tough to make sales today, but you are building tomorrow's business. Just remember to advise all clients and customers to seek the appropriate professional assistance when the situation warrants. If you feel that you are out of your area of

competence in a real estate or business sale, get the support you need or do not take the assignment. Continue your education and pursue the training you need to be your best. GABB offers reasonably-priced seminars and conferences, and you have the opportunity to take classes with regional or other national professional associations. Do not forget the networking opportunities that meetings and even phone calls to other GABB affiliates present to get the support you may need to excel. GABB members are always willing to share their insights and expertise with others.

3. Don't Lower Your Standards and Undermine the Profession for a Perceived Short-Term Gain.

Do you try to stay healthy? Eat as well as you can? Exercise? Get enough sleep? Watch your alcohol intake? Does it make sense to sabotage years of good discipline that will prolong your healthy, active life by going on a year-long binge? Each of us has worked very hard to develop his/her business, to build a solid reputation and to earn Business Brokers a professional image. Now is not the time to diverge from a solid business plan in desperation. People still need your professional help. You do not need to "buy business" by lowering fees to a level that tarnishes the reputation of your brokerage and the industry, and then lowering your performance to match. Nor do you need to adopt less than ethical predatory practices . . . Hmmmmmmmmm. Seems to me that some of that short-sighted behavior is what got our economy into its current mess. Maintain your standards and live a longer, healthier business life.

4. Know Your Agreements and Abide by Them.

We use many different form contracts in our business, with Sellers,

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MEETING NOTICE: TUESDAY - MAY 26, 2009 AT 10:30 AM

"MAKING SENSE OUT OF THE BANKING CRISIS"

FEATURED GUEST SPEAKER – DAVID OLIVER, Senior Vice President of Communications & Marketing, Georgia Bankers Association.

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

AFFILIATES CORNER:

JOHN HARMAN OF BLUE OAK 1031 ADVISORS

"Please join John Harman as he hosts our popular Affiliate's Corner Networking starting at 9:45 AM. Be early for some great complimentary refreshments!"

MEETING COORDINATOR: BERNARD ANTHONY

BBMS TRAINING

If you are a new Member who has not taken BBMS Training or an experienced Member who would like a refresher, the next class will be on Friday, May 22nd at the Metro Brokers/GMAC-North Fulton Office, 1580 Holcomb Bridge Road, Suite 26, Roswell 30076.

Ken Stebbins, the Founder and Owner of BIZMLS.com, will give in-depth instruction and useful tips. Lunch will be provided. RSVP with Art Lennig at a.lennig@murphybusiness.com, or 770-303-0044, to order your lunch and materials.

THE CODE CORNER by James Welch, GABB Past President

Occasionally there is an opportunity for a Business Broker to receive compensation from more than one party in a transaction. Examples of compensation may include referral fees from lenders or franchisor finder's fees. As a Business Broker licensed by the Georgia Real Estate Commission, we are subject to Georgia Real Estate Law along with our GABB Code of Ethics. We are required to disclose any compensation received from more than one party in a transaction.

GABB Code of Ethics, Article Seven: If a Business Broker is representing one or another party to a transaction, the Broker should not accept compensation from more than one party without the full knowledge of all parties to the transaction.

TO BE YOUR BEST—WHEN TIMES ARE NOT THE BEST CONTINUED

Buyers, and other Brokers. Be sure that you actually KNOW your forms, their proper usage, and that you understand each clause well enough to explain its meaning. If you have any doubts, seek counsel. The GABB has forms that you are privileged to use, devised by our own Attorneys who are happy to explain a clause if need be. Ensure that your clients and customers understand what they are agreeing to, and that they seek counsel if need be. Our Confidentiality Agreement protects our Sellers, and Buyers need to know that they must read and honor this, or we cannot disclose confidential and proprietary information to them. You are watching out for your client's (and your fellow Brokers' clients') best interests by ensuring the terms are clear to the Buyer, and averting potential problems for yourself. As BBMS members, we do not have to sign a co-op agreement each time we work with another GABB member, but we are implicitly agreeing to it. If you do not know and thoroughly understand our Co-Brokerage Agreement, you must get it out and READ it. As co-operating brokers, it is our responsibility to honor the Agreement, so get intimately familiar with it.

5. Maintain Your License. As a Real Estate licensee, you are required to keep up with renewals and continuing education. You worked hard to get those licenses, so make every effort to keep them up. The renewal on your GA Real Estate License is only \$100 every four years (renewed online.) Take advantage of CE-earning classes at low cost, sometimes even free. Brokers, take your obligations regarding your agents seriously. Inexperienced or unsupervised agents can create legal liabilities and quickly harm your business reputation—and your clients.

6. Exercise Utmost Discretion with the Listing Information on the BBMS. We are fortunate to have an invaluable tool for managing our listings and working with other Brokers, but we are also entrusted to protect our client's information. Only GABB and BBMS members with personal access numbers should be allowed to use the BBMS, even within your own office. Access is not shared, even with other agents. You can be fined and even lose your access rights for not protecting your personal access passwords.

7. Treat Others As You Would Want to Be Treated. The Golden Rule always applies (one of the VERY few "always" in life.) When you are representing one party as their agent - a Seller or a Buyer - your obligation to protect and promote your client's interest is primary, but this does not relieve you from your obligation to treat all parties honestly. Your obligation to the non-agency parties is to treat them fairly and honestly, and avoid misrepresentation or omission of pertinent facts related to a property or transaction that could adversely affect the parties. Do not knowingly mislead a prospective Seller as to the market value of his business just to get a listing or fee. This harms your client and the reputation of our industry, and certainly violates any ethical codes calling for honesty in our professional dealings. Your integrity should never take a back seat to a financial objective, even if this means saying "No" to a prospective client or a situation you know is illegal or immoral. You owe that to yourself and everyone else.

8. Ask Yourself, "Is this a Creative Solution, or is it Illegal or Unethical?" Some creative financing that may be suggested is not legal, especially if there are banks and SBA lenders involved. Not all parties may legally split fees or share commissions to "make everybody happy." Many licenses we encounter in business cannot be transferred. Some liabilities cannot be assumed if you want to clear your clients of potential future liability. When in doubt, sleep on it, think about it once more and maybe discuss it with a trusted advisor--perhaps a GABB Broker or Affiliate Member. If you would not be okay with "everyone knowing," the contemplated action requires serious second thoughts.

We all want to be happily and profitably in business for a long time; strive to be your best even in tough times and SUCCEED!

IBBA International Conference

Henry L. Hicks, CBI - *Fellow of the IBBA*



A Time to Shine! Don't Miss It!

Friday, June 12, 2009, 8:00 AM!

As hosts for the **IBBA Conference for Professional Development**, all GABB Members are encouraged to be present for the Opening Ceremonies and Keynote Speaker. Special thanks to all GABB Members who ordered a vest and will be in the GABB parade on Friday morning! Pat McDonald will be hostess at the Reception for Attendees on Thursday evening, with a group of "Southern Belles" in costume along with a roving Barber Shop Quartet, "Martha's Finest," from Berry College. **Our GABB Booth Team, coordinated by Dave Chambless**, will "meet and greet" attendees as they arrive.

The **IBBA Conference for Professional Development** will be held at the downtown Atlanta Westin-Peachtree Plaza, June 8-13, 2009. You can choose from among 25 courses presented Monday through Thursday and 33 workshops available on Friday and Saturday, taught by active Business Brokers. **Last minute on-site registrations are permitted.**

By attending the courses and workshops, you will:

- prove that you are serious about your career;
- strengthen your clients' confidence in your capabilities;
- keep current on new developments and trends in buying or selling a business;
- open doors to new listing opportunities and increased earnings potential; and,
- demonstrate pride in your profession and an ongoing commitment to education.

This **IBBA Conference** will be a great opportunity for those new to the Business Brokerage profession. The networking opportunities with other Business Brokers in classes, on coffee breaks, during workshops and by mingling with the attendees at the receptions on Thursday and Friday evenings are refreshing and inspirational. Enhance your professional credibility through education and by earning your CBI. Learn more about the **IBBA** at www.ibba.org.

THE LENDER MINUTE

BY: JACKIE HART, PARK AVENUE BANK

The update we received from Terri Dension, SBA District Director, at the last meeting was very informative, and we appreciate the time she took from her busy schedule to speak to us at GABB.

The relaxed rules of SBA have led to an increase of more than 25% in average weekly loan volumes nationwide since the program took effect in mid-March. Among the loans that have been submitted, nearly 450 are those who had not made loans since October! This is great news!

The Georgia District Office handled 131 loans worth \$55.4 million between March 16th and April 30th.

More small businesses will be eligible for U.S. Small Business Administration-backed loans, meaning greater access to much-needed capital in this tough economy, as a result of a temporary alternate size standard for the agency's largest lending program. SBA's alternate size standard for its 7(a) loan program will be in effect until September 30, 2010. As a result of the temporary change, more than 70,000 additional small businesses, including auto and RV dealerships, auto industry suppliers and others, could be eligible to apply for an SBA 7(a) loan.

One more note—The Secondary Market Premiums for 7(a) loans have also increased over the last 30 days! This is great news for the lenders and will ultimately increase SBA loan volume.

Should you have any questions, please don't hesitate to call me at 770-880-1032.

Meet A Business Broker Member “Up Close and Personal”

KAREN BROWN

Associate Broker

Metro Brokers/GMAC Real Estate | Office: 404-843-2500; Cell: 770-596-1327

GABB Associate Member Since 2005 | Business Broker Since 2005

How long have you been with the company?

Since 2001, licensed in 2004. Recently returned after two years with another Broker.

What role do you play within your company?

Business Broker, Commercial Sales/Leasing, Residential Sales.

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

Real Estate Broker offering all services relating to buying/selling residential, commercial and business brokerage activities.

What are your company's target markets?

Atlanta Metropolitan Area with 26 offices.

What led you to this line of work?

Colleague recommendation and mentoring.

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

Unlicensed assistant to well-known commercial brokers while living in Colorado and assisted agent in Georgia with bookkeeping/property management functions.

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

Grew up on Iowa farm/small town. In 1982, relocated to Boulder/Denver, CO “to play in the mountains.” Lived in Olathe, KS, in 1994. Then transferred to Atlanta in 1995 due to job transfer.

Professional Affiliations

GABB Today Editor, Atlanta Commercial Board of Realtors, LoopNet, International Council of Shopping Centers, FMLS, GAMLs.

Personal Affiliations

Current affiliations include Habitat for Humanity, Homestretch, Bethany Lutheran Church, Marriott Vacation Club, Canongate Golf Clubs, LA Fitness.

All About You

I share a home with two rescued cats, and consider myself a “domestic goddess”. Hobbies include wine enthusiast, gourmet cooking/baking, tennis, golf, most any outdoor athletic activity, gardening, sewing, reading and travelling. My favorite travel destinations include any comfortable beach or mountain resort, to enjoy the geography and expansive views. My 25-year-old daughter lives nearby, but other family members live in the Midwest. Love romantic/chick-flick movies, good drama and comedy featuring specific actors/actresses, but prefer at-home viewing (don't care for crowded/unclean/over-priced movie theaters). Favorite reading has been fiction by John Grisham, Dean Koontz, Tom Clancy, Michael Crichton, but have not read a “good” book in a while.

Accomplishments

B.S Degree, Accounting, University of Colorado-Denver.

Have lived in Colorado and Georgia, and traveled throughout the United States. Planning European travel next spring/summer.

GEORGE H. BERGMARK III

Partner

B2B CFO

Cell: 770-335-2974; Fax: 404-393-6921

GABB Affiliate Member Since 2009

How long have you been with the company?

14 months

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

Every company, regardless of its size, needs a Chief Financial Officer. You can now afford a CFO with B2B CFO®. We serve owners of emerging and mid-market companies, with revenues up to \$75 million, who want to increase cash, profitability, sales and company value, as well as develop exit strategies.

What role do you play within your company?

Provide CFO services to our clients.

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

Our focus is on long-term trusted relationships rather than project/interim work. We do not require contracts, but operate on a handshake. We partner with Business Brokers, Investment Bankers and M & A firms to maximize client value.

What are your company's target markets?

Owners of emerging and mid-market companies with revenues up to \$75 million—any industry—closely and privately held companies.

What led you to this line of work?

Enjoy working with owners and decision-makers to enhance the value of their businesses.

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

Graduated from Georgia Tech, then headed out to build a career. Returned to Atlanta/Sandy Springs in July 2008 after living in Alaska for 3½ years. Prior to Alaska, was in Houston for 16 years.

Professional Affiliations

Board Member, Sandy Springs/Perimeter Chamber; Chair, SSPC Business Education and Training; Member, Buckhead Business Association; Member, National Funding Association; Affiliate Member, Georgia Association of Business Brokers; Member, MIT Enterprise Forum; Vistage Trusted Advisor

Personal Affiliations

Foundation President, Friends of North Springs High School; Member, Sandy Springs Rotary; Georgia Tech Alumni Association; Georgia Tech Letterwinners Club.

All About You

My wife, Sherry, and I have been married for 24 years. I must confess that we took nearly 10 years of due diligence before finally getting married. Our son George IV just completed his first year at Georgia Tech in the Honors Program studying Aerospace Engineering. Daughter Caty is musical theater guru. She will be a senior at North Springs Charter High School in the Performing Arts Magnet in the fall.

We enjoy traveling and not being on a set schedule. Would love to go sailing again.

Accomplishments

Happily married for 24 years with 2 great kids that make us proud.
Georgia Tech Alumnus of the Year – Houston. Elected to the Chamber Board after being a member for only 3 months.
Enjoy seeing clients' businesses prosper.

Tips/Advice for GABB Members

80% of businesses are not ready for sale. Partner with B2B CFOs to help these companies maximize their value yielding higher sales prices and commissions, as well as facilitate faster sales and closing process with seasoned CFO partners.

☆☆☆ UPCOMING EVENTS ☆☆☆

May 21st

5:30-7:30 PM – “Happy Hour”
@ Westin Atlanta Perimeter North
7 Concourse Parkway, Atlanta

May 22nd

8:30 AM – 4:00 PM - BBMS Training
@ Metro Brokers/GMAC –North Fulton Office
1580 Holcomb Bridge Road, #26, Roswell 30076
Lunch Provided
RSVP with Art Lennig
a.lennig@murphybusiness.com
770-303-0044

May 26th

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

June 8th - 13th

IBBA-M&A Source Spring 2009
Joint Conference for Professional Development
– Atlanta, GA
For information: www.ibba.org

June 12th

8:00 AM -- GABB Networking @ IBBA Conference

June 30th

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

DALE WILLIAMS
The Sapelo Group
Active Member
912-225-4800

NEAL BLOCHINGER
Metro Brokers/GMAC Real Estate
Associate Member
404-843-2500

DANIEL BROWNING
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