



**MID-STATES ADVISORS**  
A Private Placement and Business Brokerage Firm  
*Newsletter*

## Mid-States Advisors, Inc. Monthly Article & Updates

**Good Afternoon,**

**In a return to our monthly articles, we figured it was a good time to talk to business owners about important financing decisions they will soon be making as they come out of home quarantine and start getting back to work. No doubt, business owners will be making hard decisions about employees and overhead expenses but many will have to decide how they plan to fund their reopen and ramp up. Below you will find an article outlining the questions business owners should ask themselves when forecasting for future funding.**

**If we can help you in any way please feel free to reach out to one of our team members.**

**Joseph P. Alam III, 313-670-5713, [jp3@midstatescapital.com](mailto:jp3@midstatescapital.com)**

**Joe Alam, 313-215-1700, [jpa@midstatescapital.com](mailto:jpa@midstatescapital.com)**

**James Mies, 248-766-7884, [jm@midstatescapital.com](mailto:jm@midstatescapital.com)**

**Tena Hermance, 248-320-5475, [th@midstatescapital.com](mailto:th@midstatescapital.com)**

Visit our Website

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## The 2020 Self-Guide to Middle Market Business Loans

**This is the first of a series of articles aimed at middle market businesses and intended to help inform and guide owners and key decision makers through some of the challenging business decisions they will face in the post-Covid 19 economy. Out of the gates, we will focus on funding, since this is likely to be a critical challenge.**

### Funding

**If your business needs funding for any reason, one of the first**

**decisions you'll need to make is whether to take the time and energy to struggle through this on your own (or with key staff) OR secure the aid of a Debt and Credit Advisor. Here are a few questions to ask yourself in order to arrive at the best solution:**

- **Do I have enough experience?**
  - **Do I know how to package my request to Banks, Asset Based Lenders, and Subordinated Debt Lenders in a way that meets the needs of their underwriters?**
  - **Do I know the roles, limitations, and authority of Business Development Officers, Underwriters, and Credit Officers within the lending institutions our team will approach for financing?**
  - **Do I know which individuals and institutional lenders are willing to work with out-of-favor industries?**
  - **If I'm seeking funding at my current lender's request, do I know how to find a good lender that is interested in my loan(s)?**
- **Do I or my team have an abundance of time that isn't better spent focusing on our primary business?**
- **Is our team familiar with those lenders most likely to bring to market new post-pandemic offerings?**

**If you answered, "yes" to all of the above, then you are in a good position to locate funding on your own. Congratulations!**

**If you answered, "no" to any or some of the above, you would benefit from the services of a good Debt and Credit Advisor. Here are some guidelines for selecting the best advisor:**

- **Are they well known and respected in the business community?**
- **How much experience do they have with the type of financing you need?**
  - **Years in business, number of transactions, experience in lower middle market lending, etc.**
  - **There are many inexperienced and one-trick ponies out there. Avoid them!**
- **How much of an effort will they put into assuring the best outcome for you? In other words, how much talent and time will they devote to achieve the desired result.**
- **How is their fee structured? Do they wish to be paid regardless of the result? Or do they have the confidence to take payment at the time of funding.**
- **Do they have an in-depth understanding of how SBA and USDA loans work?**
  - **Note: These government programs have limitations as well as advantages.**
  - **Following the Great Recession of 2008-2010 bank underwriters and credit officers are encouraged not to think outside the box in structuring loans, and with**

the passage of time, do not have the reservoir of knowledge, which results in them declining loans that should be approved. A good advisor can help to ensure such loans are approved by lenders.

- Are they aligned with just a couple of lenders, which would limit their ability to present to the best lender for you?
- Are they well connected to key decision makers at a variety of potential lenders?

**Before making a decision, speak to 2-3 advisors to get answers to the above questions. Then you will be well positioned to make an informed and beneficial decision.**

**At Mid-States Advisors, we are passionate about helping middle market business succeed, which is why we've shared these guidelines. Of course, we pride ourselves on rating extremely well in all of these categories, with over 100 years of collective experience on our team and a success rate that is stellar.**

**Our ideal client is generally:**

1. **A business whose existing lender, usually a bank, requires their customer to find a new lender,**
2. **A buyer wishing to fund a transaction,**
3. **A business needing to fund its rapid expansion,**
4. **A borrower dissatisfied with an existing relationship (though this is rare)**

**Among our specialties is the closing of difficult fundings. From a troubled past to lack of collateral, Mid-States has found solutions for almost every circumstance. This requires an understanding of the best loan structure for a business loan, both from a cost and sustainability standpoint.**

**We are respected and well-known to a vast network of senior and junior debt lenders. Our credibility transfers to our clients, even those who have lost their own credibility due to a failure to meet projections, returns that have not materialized, or commitments that have not been met.**

**We hope you will contact us to learn more about how we can assist your company or client. Please don't hesitate to call or email a Mid-States representative for a free discussion. Here are the direct phone numbers and emails for our three primary principles (yes, we answer our own phones):**

**Joseph P. Alam III at 313-670-5713, [JP3@midstatescapital.com](mailto:JP3@midstatescapital.com)**

**Joe Alam at 313-215-1700, [JPA@midstatescapital.com](mailto:JPA@midstatescapital.com)**

**Jim Mies at 248-766-7884, [JM@midstatescapital.com](mailto:JM@midstatescapital.com).**

## Recent Closings

**After failing to sell the Company to various interested buyers, the Seller engaged Mid-States Advisors, Inc. (Mid-States) to act as Exclusive Seller Representative. Mid-States worked with the Seller to develop the marketing memorandum and with the Seller's CPA to develop reconstructed earnings to justify the sale price. Mid-States was able to locate and qualify multiple potential Buyers and acquired multiple offers. In order to complete the transaction, Mid-States introduced a lender to the Buyer, and worked with the Buyer, Seller, and Lender to facilitate a smooth closing. Mid-States worked closely with Seller's counsel to develop the sales documents and bring the transaction to a close.**

**We were able to complete both the financing and sale in the middle of the COVID-19 health crisis.**

### Sale of a Commercial & Residential Carpet, Tile, Upholstery Cleaning and Repair Company

*Seller Representation – Advised on the Structure of the sale, prepared marketing materials and solicited offers*

*Assisted Buyer in Locating Funding*

#### **MID-STATES ADVISORS, INC.**

*Contact: Joseph P. Alam III*

*(313) 670-5713*

Email: [jp3@midstatescapital.com](mailto:jp3@midstatescapital.com)

The above acted as financial advisors and arranged this funding



Mid-States Advisors, Inc.  
280 Daines Street • Suite 100B • Birmingham, MI 48009  
Telephone : (313) 215 - 1700  
[www.MidStatesCapital.com](http://www.MidStatesCapital.com)