Small Business Financial Services

Investment opportunities in a dynamic market

The small business financing market opportunity available to non-bank lenders is large and has expanded as banks retreat. Non-bank commercial finance firms use various business models to originate transactions and manage risk. Newer entrants are deploying online platforms in an effort to rapidly gather assets and gain market share. Traditional firms rely on established origination channels and analytical tools but are generally augmenting their platforms with technology investments to speed response time and efficiency. Some firms are acting as intermediaries – originating and underwriting transactions for other lenders (usually banks) that lack the focus, expertise, or scale to build their own specialized origination engines. The small business financing market is fragmented, creating opportunities for new and existing players.

Private equity investors and venture capitalists have taken note of the shifting dynamics in small business lending and have increased investment activity in this space over the past several years. A successful, growing commercial financial services firm can deliver attractive returns to investors. Exit opportunities vary depending on the business model and product focus of each enterprise, but liquidity paths include sale to commercial banks, sale to other non-bank strategic investors, sale to other private equity firms, and initial public offerings. M&A transaction activity in the past several months points to the re-emergence of commercial banks as buyers of small business finance companies. Other non-bank strategic buyers are also active.

Small business lending is a significant, growing segment of the financial services sector. Many small business finance companies enjoy high asset margins and have attracted a broad range of investors and debt sources, including the asset-backed securities market. The overall M&A market for specialty finance companies remains robust, and interest in online lending remains strong in spite of recent challenges facing some of the first generation FinTech lending firms. We expect to see continued high levels of acquisition and capital markets activity in small business lending over the next two years; the slowdown will likely hit when the current economic expansion comes to an end.

Small business finance market is large

According to the U.S. Small Business Administration, there are 28 million small businesses in the United States, employing 57 million people. Small businesses account for 99.7% of all businesses in the country and employ 48% of the labor force. The breadth and depth of this market presents challenges for financial services firms – there is a broad diversity of enterprises, including one-person proprietorships, Main Street retailers and service providers, growing technology firms, and small manufacturers.

Small businesses require a range of financial services to operate. Depository and transaction processing services are mission-critical activities for most enterprises. Banks and non-bank financial services firms are eager to provide these services, which generate attractive fees for the service providers with limited credit risk. Small businesses also need credit, however, and the diversity of funding needs experienced by smaller enterprises has led to the creation of several different products over time. The total addressable small business financing market (bank and non-bank) is close to $1 trillion of annual funding volume; actual volume is less due to unmet demand.

The gradual consolidation of the commercial banking sector in the United States has reduced the amount of bank credit available to small businesses. Community banks' share of total banking assets has declined by 50% in the past two decades, but these small institutions still play an important role in certain lending segments. According to research completed by Marshall Lux and Robert Greene of Harvard's Kennedy School, community banks still provide over 50% of bank loans to small businesses. But as these banks merge into other, larger banks, relationship lending based on knowledge, history and flexibility becomes increasingly scarce, and small businesses suffer. In addition, the banking regulatory system reflects big-bank processes, which are transactional and standardized – these standards cause regulators to lean on smaller community banks, further constricting their ability to serve smaller businesses. The disruption caused by the 2008 – 2009 financial crisis and recession accelerated this trend over the past ten years.

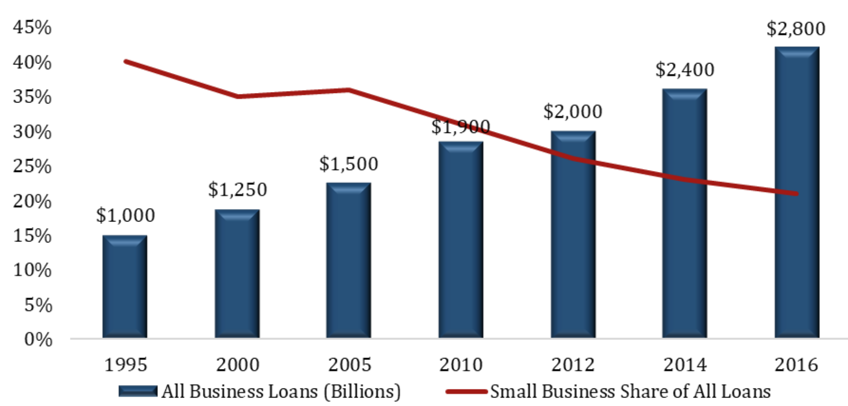
Non-bank providers of credit products have long existed to augment and replace bank lending in the small business market. Some of these products are also offered by banks, but non-banks have a different approach. This group of lenders tends to focus on specific products, which they deliver swiftly and efficiently to small and mid-sized businesses. The major products include:

- *Asset-based lending*: Usually revolving lines of credit secured by accounts receivable and inventory
- *Equipment leasing & finance (mid-ticket):* Term loans/leases, $250,000 to $2,000,000 transactions
- *Factoring*: Purchase of accounts receivable at a discount to fund working capital needs
- *Insurance premium finance*: Short-term loans to finance payment of insurance coverage; secured by unearned premiums
- *Merchant cash advances*: Unsecured advances against anticipated future revenues
- *Small ticket equipment leasing & finance*: Generally sourced via equipment dealers; transaction size under $250,000
- *Subordinated debt*: Unsecured or limited to junior liens on assets pledged to senior lenders

Credit needs of small business sector remain underserved

Commercial banks have been withdrawing from small business lending for many years, including during the recent recovery from the crisis and recession of 2008 – 2009. Small business loans as a percentage of all bank loans have declined from over 40% in 1995 to under 25% in 2016.

SMALL BUSINESS LOANS AS SHARE OF TOTAL LOANS AT BANKS

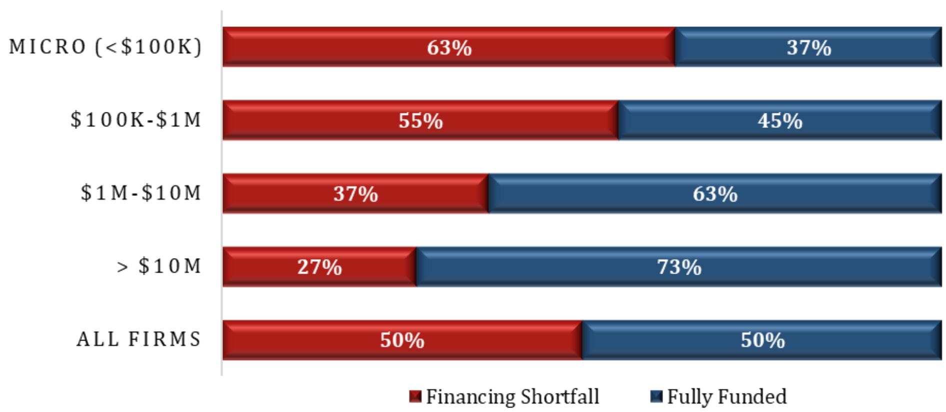


Source: Federal Deposit Insurance Corporation, Call Report Data. As of 2Q16

While commercial credit availability has improved considerably since 2009, the demand for small business financing still exceeds the amount of credit supplied by banks. While the credit needs of all small businesses are underserved, those firms seeking less than $100,000 in financing face more significant challenges.

- According to the March 2016 Small Business Credit Survey completed by the Federal Reserve Bank of New York, 59% of small business credit applications were for $100,000 or less; 44% were for under $50,000.
- 54% of small firms hold under $100,000 in debt.
- The smallest businesses – those with revenues under $100,000 – were half as likely to receive requested financing than were firms with over $10 million in revenues.

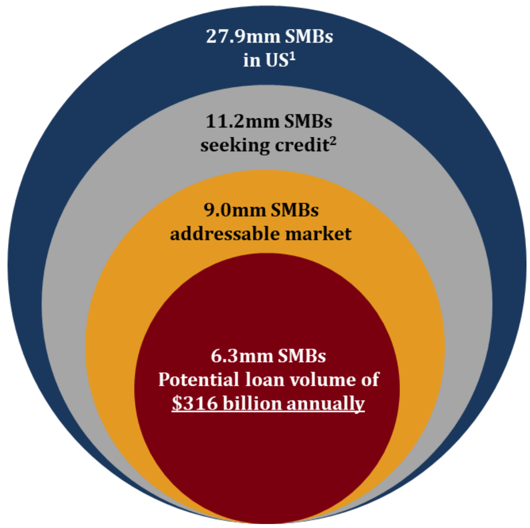
PERCENT OF LOAN APPLICANTS RECEIVING FULL FUNDING VS. THOSE FUNDED PARTIALLY OR NOT AT ALL



Source: "2015 Small Business Credit Survey" Federal Reserve, March 2016

The absolute size of the small business finance market in the United States is impressive. According to the 2016 Small Business Credit Survey conducted by the Federal Reserve Bank of New York, 45% of all small businesses sought credit in the year preceding the date of the survey, and 20% of those businesses were seeking $25,000 or less. If we assume that the average small business is seeking $75,000 of credit, the potential financing volume approaches $1 trillion per annum. The estimate of the total addressable market opportunity is provided in the following diagram.

SMALL BUSINESS FINANCE ADDRESSABLE MARKET



1) *US Business Administration*
2) *FRBNY Small Business Credit Survey*

Small business lending products generate attractive risk-adjusted returns

Lenders offer small businesses a range of borrowing options depending on the nature of the business and its creditworthiness. The following table summarizes the major products available.

Asset class	Collateral	Avg. Life of Asset *(months)*	Typical Asset Yield	Annual Credit Losses
Asset based lending (Deals > $500K)	Trade receivables and inventory	3 to 9	P+6.5%	1%
Equipment Leasing/ finance (Deals > $250K)	Industrial & transportation equipment	36	5% -12%	0.75%
Factoring (Deals > $300K)	Trade receivables	2	18% - 30%	1% - 3%
Insurance premium finance (Deals <$50k)	Unearned premiums – P&C policies	5.5	7% -12%	0.50%
Merchant Cash Advance (Deals < $300K)	Unsecured	4	25% - 155%	8% - 15%
Second Lien and Subordinated Lending (Deals > $5MM)	Junior claims on assets or unsecured	36	12% - 22%	6%
Small and micro-ticket leasing (Deals < $250K)	Office, POS, small industrial equipment	21	8% - 25%	2% - 5%
Term loans (including SBA loans) and lines of credit	Miscellaneous – receivables, inventory and/or fixed assets	12- 120	7% - 30%	4% - 8%

Source: Colonnade Securities LLC research

Commercial banks also offer credit cards to small businesses, but those credit lines are often closely tied to the creditworthiness of the small business owner, and they resemble consumer credit cards when it comes to pricing and terms.

Small business lenders often focus on a well-defined set of products. The following table lists a sample of the focused competitors in the small business lending market.

SBA Guaranteed Loans	Newtek "The Small Business Authority"	Live Oak Bank	Celtic Bank	Business Finance Group #1 504 Lender in the Mid-Atlantic Area
Term Loans and Lines of Credit	OnDeck	Kabbage	Funding Circle	lendio Making Small Business Loans Simple
Equipment Finance/ Leasing	ascentium capital	LEAF	Marlin	DirectCapital
Receivables/Invoice Factoring	BlueVine	LSQ Funding	Fundbox	Far West Capital
Business Charge Cards	American Express Business	Capital One | Spark Business	Ink from Chase	
Merchant Cash Advance	Everest Business Funding	Square	Strategic Funding	Pearl Capital

Value drivers

Small business lending is a significant commercial finance activity in a large market. Value drivers in small business lending are similar to those of all specialty finance businesses, augmented by the increased utilization of technology for origination, credit scoring, underwriting, servicing and collections. Attributes that investors consider when evaluating commercial finance opportunities include:

- ***Ease of use***
  - Direct businesses – speedy execution and high touch relationship management
  - Indirect businesses – simple and streamlined for channel partners
- ***Investment decisioning***
  - Sophisticated use of data and underwriting tools
  - Decisioning specifically tailored for the markets served
- ***Market dynamics***
  - Underserved markets with significant growth potential
  - Better mousetrap creates competitive advantage
  - Low regulatory / reputation risk
- ***Transparency***
  - Product features and costs fully disclosed
  - Allows borrowers to move to lower cost options
- ***Risk / reward profile***
  - Predictable and consistent asset quality costs
  - Product pricing incorporates adequate margin to absorb write-offs
  - Assets generate strong risk-adjusted returns on capital

- ***Organizational strength***
  - Strong management with proven ability to grow business
  - Efficient and effective sales organization
  - Strong operating platform and customer service capabilities

Small business finance industry has two major segments, but there is significant cross-over

The small business finance industry can be divided into two broad segments: the financial technology group ("FinTech"), which is highly automated and delivered online, and the traditional group ("Old School"), which maintains much of the offline techniques that have always been used by specialty finance firms. The lines between FinTech and Old School small business lending firms are blurring due to the convergence of business models. Indeed, FinTech is, in many respects, simply a new approach to extending credit to small businesses. Origination strategies differ at first glance, but many Old School lenders have developed sophisticated online tools for origination and servicing, too. Various levels of capital intensity are primary differentiators, with many FinTech firms employing an originate-and-sell model to reduce capital requirements. Valuation levels between these two segments are more dramatic than the core differences, although those valuation levels are beginning to converge, as well.

FinTech Segment

- Participants utilize online, highly automated origination and underwriting, which lead to faster credit decisions, which limits product array to primarily unsecured transactions
- Lending products and pricing reflect target market – small businesses that are underserved by banks
- Major venture capital investors are among the shareholders of firms due to opportunity to achieve significant scale
- Players may have finance company balance sheets or use the P2P / intermediary model
- While these firms feature their online origination, they often utilize conventional channels, as well (brokers, vendors, etc.)
- Participants include OnDeck, Kabbage, Funding Circle, Fundera, LSQ Funding, FundBox and BlueVine

Old-School Segment

- Participants originate via brokers/vendors, referral sources (bankers, accountants, attorneys) direct salesforce, direct mail and via the internet; lead pursuit model
- Full spectrum of small business finance products, including loans, merchant cash advances, leases and lines of credit (secured and unsecured)
- Private equity firms and family office investors are among the shareholders
- Most firms fund and hold loans
- Several large firms in this segment, but smaller participants can be economically viable
- Participants include Ascentium Capital, Credibly, Fora Financial, Gibraltar, Great America Financial Services, Pearl Capital, Rapid Advance, MicroFinancial, FarWest Capital and Action Capital

Publicly traded small business lenders

There are relatively few "pure play" small business finance firms that have publicly-listed securities. Most of the existing public companies in this sector are specialty banks. In addition, some of the public business development companies lend primarily to small and mid-sized enterprises. Some of the public small business finance companies are profiled below.

Accord Financial: This Canadian public company provides factoring services to small and mid-sized businesses in the U.S. and Canada.

California First National Bank: This west coast bank operates a national equipment leasing/finance business focused on technology assets; customers are small and mid-sized firms.

Chesswood Group: This Canadian firm provides small-ticket equipment leasing/finance services to businesses in the United States and Canada; it operates as Pawnee Leasing in the U.S.

CIT: This large, multi-line lending firm provides a broad range of products to small and mid-sized businesses, including asset-based finance, equipment leasing and factoring services.

Marlin Business Services: Marlin is another small ticket equipment leasing/finance firm operating nationwide in the U.S.

OnDeck Capital: This small business lending firm provides merchant cash advances and term loans to small businesses; it is generally classified as a FinTech lender and was initially funded by major venture capital firms.

PacWest Bancorp: This bank holding company became a commercial finance-focused institution after it acquired CapitalSource, a significant multi-line lender to small and mid-sized businesses.

Triumph Bancorp: This Dallas-based bank is a significant small business lender with activities in factoring, asset-based lending, and insurance premium finance.

Business Development Companies: There are several business development firms that provide various types of loans to small and mid-sized firms. The primary products offered by these firms are subordinated debt and structured senior debt that provides more leverage than banks are willing to accept. Some of the major participants in this group include Ares Capital, Fidus Investment, Hercules Capital, Horizon Technology Finance, THL Credit, and Whitehorse Finance.

Recent transactions are influencing investor awareness

Over 50 M&A transactions have been completed in the past five years across a broad range of small business finance providers and investors. Venture capitalists, private equity firms, commercial banks, and other financial institutions have placed various bets across a group of companies using a variety of origination strategies and product offerings.

While there have been many small business financial services acquisitions completed recently, two recent transactions frame the major themes in the sector:

***PayPal's acquisition of Swift Capital*:** This transaction, announced in August 2017, highlights a significant development in the small business financial services sector. PayPal Holdings Inc. (NASDAQ: PYPL) is competing with Square and Amazon – these three firms execute millions of transactions for small businesses and have entered the small business lending markets in recent years. PayPal provides payment processing services to thousands of small merchants, and began offering funding to merchants in 2013. Swift Financial was launched in 2006 by Ed Harycki, former head of MBNA's business lending division. The young company attracted over $56 million of venture capital from major investors (led by Sutter Hill Ventures and Third Point Ventures). Swift Financial has built a sophisticated technology platform and has a highly-automated credit underwriting system that PayPal intends to deploy across its merchant customer base. This deal highlights the FinTech side of small business finance. We expect other successful FinTech players in small business finance to be targeted by players in the digital payments sector.

People's United's acquisition of LEAF Commercial Capital: This transaction, completed in July 2017, highlights the ongoing effort of banks to serve the small business finance market through the acquisition of traditional small business lender. People's United Financial, Inc. (NASDAQ: PBCT) is a major regional bank operating in the Northeast United States. LEAF is a small-ticket equipment finance/leasing company that originates nationally through a large network of equipment dealers. The firm was owned by a significant private equity firm (EOS Partners) and a small-cap public company (Resource Capital, NYSE: RSO). Forward-looking commercial banks have realized that specialty finance firms can be asset origination engines, which are especially valuable now when bank liquidity levels are high and conventional bank assets are producing low yields. This transaction is a recent example of the increase in bank interest in small business finance and leasing. We expect to see other similar transactions in the coming months.

A selection of the transactions completed over the past 36 months is presented below.

Date	Buyer / Investor	Target	Type
Oct-17	Accord Financial (TSE: ACD)	CapX Partners	Equipment Finance & Leasing
Oct-17	JPMorgan (NYSE: JPM)	WePay	Small Business Fin. Serv.
Sep-17	LendingTree (NASDAQ: TREE)	SnapCap	Other Small Business Lending
Sep-17	WBL	BizFi	Other Small Business Lending
Sep-17	Constellation Financing Sytems	Vision Commerce	Equipment Finance & Leasing
Aug-17	Credibly	BizFi's Portfolio	Other Small Business Lending
Aug-17	PayPal (NASDAQ: PYPL)	Swift Financial	Other Small Business Lending
Aug-17	Solar Capital	Nations Equipment Finance	Equipment Finance & Leasing
Jul-17	Peoples United Bank (NASDAQ:PBCT)	LEAF Commercial Capital	Equipment Finance & Leasing
May-17	United Leasing & Finance	Access Commercial Capital	Equipment Finance & Leasing
Feb-17	PNC	ECN Capital's U.S. Commercial	Equipment Finance & Leasing
Jan-17	Marlin Business Services Corp (NASDAQ: MRLN)	Horizon Keystone Financial	Equipment Finance & Leasing
Dec-16	Radius Bank	NewStar (NASDAQ: NEWS)	Equipment Finance & Leasing
Nov-16	LeaseQ	Noesis	Equipment Finance & Leasing
Oct-16	Hanmi Financial Corporation (NASDAQ: HAFC)	Banc of California CSF portfolio	Equipment Finance & Leasing
Oct-16	Engs Commercial Finance Co.	Connext Financial, Ltd.	Equipment Finance & Leasing
Oct-16	Warburg Pincus	Ascentium Capital	Equipment Finance & Leasing
Aug-16	TZP Capital Partners II	Kingsbridge Holdings	Equipment Finance & Leasing
Jul-16	Atalaya Capital Management	CG Commercial Finance	Equipment Finance & Leasing
May-16	Hitachi Capital (Hitachi Ltd)	Creekridge Capital	Equipment Finance & Leasing
Apr-16	Providence Bank	Cobra Capital	Equipment Finance & Leasing
Mar-16	BofI Holding, Inc. (NASDAQ: BOFI)	Pacific Western Equipment Finance	Equipment Finance & Leasing
Mar-16	Wells Fargo (NYSE: WFC)	GE Capital's NA CDF & Vendor Finance (NYSE: GE)	Equipment Finance & Leasing
Mar-16	GWG Holdings, Inc. (NASDAQ: GWGH)	Walker Preston Capital	Other Small Business Lending
Mar-16	Sterling Bancorp	NewStar Business Credit, LLC	Other Small Business Lending
Feb-16	Prophet Capital Asset Management	Propel Financial Services, LLC	Other Small Business Lending
Jan-16	Union Leasing	Walser Leasing	Equipment Finance & Leasing
Jan-16	Navitas Credit Corp	Liberty Financial Group	Equipment Finance & Leasing
Dec-15	Prime Meridian Capital Management	Poise Lending, LLC	Other Small Business Lending
Nov-15	KLC Financial	Kraus-Anderson Capital	Equipment Finance & Leasing
Oct-15	State Bank and Trust (NASDAQ: STBZ)	Patriot Capital Corporation	Equipment Finance & Leasing
Oct-15	Headhaul Capital Partners LLC & Argosy Investment Partners	Great Western Leasing and Sales, LLC ("GWLS")	Equipment Finance & Leasing
Oct-15	Palladium Equity Partners	Fora Financial	Other Small Business Lending
Sep-15	TAB Bank	Crossroads Equipment Lease & Finance, LLC	Equipment Finance & Leasing
Sep-15	Gulf Coast Bank and Trust Company	AmeriFactors Financial Group, LLC	Other Small Business Lending
Aug-15	Business Financial Services, Inc.	Entrust Merchant Solutions	Other Small Business Lending
Jul-15	Macquarie Group	Advantage Funding (owned buy Marubeni)	Equipment Finance & Leasing
Jul-15	Milestone Equipment	US Trailer Holdings & Quest Capital	Equipment Finance & Leasing
Jul-15	Capital Z Partners	Pearl Capital	Other Small Business Lending
Jun-15	MidCap Financial	Healthcare Finance Group (HFG)	Equipment Finance & Leasing
Jun-15	Enova International, Inc.	Business Backer, LLC	Other Small Business Lending
May-15	Berkshire Hills (NYSE: BHLB)	Firestone Financial	Equipment Finance & Leasing
Apr-15	Cbank	Commercial and Industrial Finance (CI Finance)	Equipment Finance & Leasing
Apr-15	Merchants Capital Access, LLC	Reliant Services Group, LLC	Other Small Business Lending
Apr-15	World Business Lenders, LLC	Certain business loan operations	Other Small Business Lending
Feb-15	Chesswood	Blue Chip Leasing and EcoHome Financial	Equipment Finance & Leasing
Jan-15	Fortress Investment (NYSE: FIG)	MicroFinancial	Equipment Finance & Leasing

Conclusion

The size, scope, and opportunity represented by the small business finance sector have attracted both financial and strategic investors. The FinTech segment of the industry has drawn in substantial amounts of venture capital over the last decade. Private equity firms have also invested in small business finance firms in the wake of the financial crisis and recession. These financial investors have begun harvesting the value that has been created in these lending firms; commercial banks and other strategic investors have been quite active over the past two years acquiring established participants. We expect that M&A activity and valuations will remain high for the next several years, but it is important to remember that interest in the credit sector is highly cyclical. When the current economic expansion comes to an end and credit losses of small business lenders spike, acquisition activity and valuations will drop.

Colonnade advised SunTrust on its announced sale of Premium Assignment Corporation to IPFS Corporation

SunTrust Banks, Inc. (NYSE: STI) announced it has reached a definitive agreement to sell the company's commercial lines insurance premium finance subsidiary, Premium Assignment Corporation (PAC), to IPFS Corporation.

"PAC has demonstrated good growth and profitability, and has been led by a successful management team. This transaction aligns PAC with a company that has a proven track record in the insurance sector, and one that will hire all PAC teammates," said Hugh S. (Beau) Cummins, III, Wholesale Segment executive at SunTrust. "The sale also allows us to continue to focus on our core Wholesale banking businesses, while generating value for SunTrust shareholders."

Based in Tallahassee, Florida, PAC had $1.4 billion in assets and finances commercial lines insurance premiums in all 50 states. SunTrust acquired PAC via the 1994 purchase of Regional Investment Corporation, parent company of Andrew Jackson Savings Bank.

SUNTRUST

has announced the sale of

PREMIUM ASSIGNMENT CORPORATION

to

IPFS Corporation

The undersigned acted as financial advisor to SunTrust

Colonnade Securities LLC

Colonnade advised AFS-IBEX on its sale to MetaBank

MetaBank, the banking division of Meta Financial Group (NASDAQ: CASH) acquired the assets and operations of AFS/IBEX Financial Services.

Founded in 1986, AFS/IBEX is one of the top ten insurance premium finance companies in the U.S., originating commercial loans through a network of over 1,300 independent insurance agencies. In 2013, AFS originated over $200 million of insurance premium finance loans.

Founded in 1954, MetaBank is a federally chartered savings bank. Headquartered in Sioux Falls, South Dakota, MetaBank's primary banking businesses are deposits, loans and other financial products and services to meet the needs of its commercial, agricultural and retail customers.

"We believe that insurance premium finance is a perfect complement to our national deposit franchise to diversify our business and build our loan portfolio," said MetaBank CEO J. Tyler Haahr. "The experienced team at AFS will lead this business for MetaBank and anchor our platform for future growth."

AFS IBEX
Financial Services, Inc.

has been sold to

MetaBank

the banking division of

Meta Financial Group, Inc.
(NASDAQ: CASH)

The undersigned acted as exclusive financial advisor to AFS/IBEX Financial Services, Inc.

Colonnade Securities LLC

Other selected commercial finance transactions

INDEPENDENT BANK has sold MEPCO insurance premium financing to **Seabury Asset Management LLC** The undersigned acted as exclusive financial advisor to Mepco Finance Corporation **Colonnade Securities LLC**	US PremiumFinance "Beyond Great Rates & Superb Service" *has formed a joint venture with* Ameris Bancorp *Colonnade acted as exclusive financial advisor to US Premium Finance* **Colonnade Securities LLC**	OMNISURE *has been sold to an investment group led by management and* **Fortress Investment Group LLC (NYSE: FIG)** *The undersigned acted as exclusive financial advisor to Omnisure Group, Lincoln Park Capital and Management* **Colonnade Securities LLC**	D E Shaw & Co *has sold* PayLink Payment Plans LLC *to an investment group led by* OXFORD Financial Group, Ltd. *Colonnade acted as exclusive financial advisor to D.E. Shaw and Paylink Payment Plans* **Colonnade Securities LLC**
CAPITAL PREMIUM FINANCING *has completed a strategic refinancing* *The undersigned acted as financial advisor to Capital Premium Financing* **Colonnade Securities LLC**	FIRST NIAGARA *has sold its premium finance business* Premium Payment Plan *to* **Flatiron Capital, a division of Wells Fargo Bank, N.A.** *The undersigned acted as financial advisor to First Niagara and Premium Payment Plan* **Colonnade Securities LLC**	FIRST BANK **First Banks, Inc.** *has sold* upac *to* **Premium Financing Specialists** *The undersigned acted as financial advisor to First Banks, Inc. and UPAC* **Colonnade Securities LLC**	Webster Financial Corporation *has sold its subsidiary* BIC Budget Installment Corp *to* **Texas Capital Bancshares, Inc.** (NASDAQ: TCBI) *The undersigned acted as financial advisor to Webster Financial and Budget* **Colonnade Securities LLC**
AON *has sold the U.S. business of* CANANWILL PREMIUM FUNDING *to* **BB&T Corporation** (NYSE: BBT) *The undersigned acted as financial advisor to Aon and Cananwill* **Colonnade Securities LLC**	The Hanover Insurance Group *has sold its subsidiary* **AMGRO Premium Financing Inc.** *to* **Premium Financing Specialists** *The undersigned acted as exclusive financial advisor to The Hanover Insurance Group and AMGRO* **Colonnade Securities LLC**	TD Bank Financial Group *has sold* FLATIRON CAPITAL CORP *to* **Wells Fargo & Company** (NYSE: WFC) *The undersigned acted as financial advisor to TD Bank Financial Group and Flatiron* **Colonnade Securities LLC**	Sumitomo Corporation of America *has sold its subsidiary* **Broadway Premium Funding Corp.** *to* **Wintrust Financial Corporation** (NASDAQ: WTFC) *The undersigned acted as exclusive financial advisor to Sumitomo Corporation of America and Broadway Premium Funding Corp.* **Colonnade Securities LLC**
GMAC Commercial Finance *has sold its* **Equipment Finance Division** *Including $607 million of assets to* **Prudential Financial, Inc.** (NYSE: PRU) *The undersigned acted as exclusive financial advisor to GMAC Commercial Finance* **Colonnade Securities LLC**	PFS PREMIUMFINANCING SPECIALISTS Nationwide Expertise, Local Service *has acquired the premium finance assets of* **Mepco Insurance Premium Financing** *from* **Independent Bank Corporation** (NASDAQ: IBCP) *The undersigned initiated this transaction and acted as exclusive financial advisor to Premium Financing Specialists* **Colonnade Securities LLC**	CAPITOL PAYMENT PLAN **Capitol Payment Plan** *has been acquired by* **Premium Financing Specialists** *The undersigned acted as exclusive financial advisor to the shareholders of Capitol Payment Plan* **Colonnade Securities LLC**	upac *has been acquired by* **First Banks, Inc.** *The undersigned acted as exclusive financial advisor to the shareholders of Universal Premium Acceptance Corp.* **Colonnade Securities LLC**

For more information on the small business finance sector, please contact:

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Colonnade is an independent investment bank focused on the financial services and business services sectors. Colonnade provides expert, objective advice on mergers and acquisitions, private placements, fairness opinions, valuation opinions and corporate finance issues for privately held businesses, publicly traded companies and financial sponsors. Our senior bankers bring extensive transaction experience, industry expertise, a process orientation and a sense of urgency to each engagement.

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