

SBA 7(A)

A Borrower Takes on Four Franchises in Under Six Months

LOAN AMOUNT: FOUR LOANS TOTALING

\$2,050,000

LOAN PURPOSE

SBA 7(a) Startup Franchise

THE SMALL BUSINESS

Charley's Philly Steaks | Multiple Locations in the Dallas-Fort Worth Metro Area

THE FINANCING CHALLENGE

When the client came to us with the vision of starting his own Charley's Philly Steaks franchise we took everything into account. He was a very seasoned and successful businessman in the insurance industry, with a great outside income, but little restaurant experience. Historically, the franchise took a minor dip in sales but was starting to see a ramp up. The business was strong, and the market and desire was there. We took on the challenge and funded two startups for our borrower. Our Ready Capital Business Development Officer went "boots on the ground" to assess the success of the restaurants—even seeing how many customers were coming in through the door. We saw the potential of this franchise with strong sales projections and the business savviness of our client. We eventually funded two additional loans for him for a total of four locations in under six months.

Here's what our borrower brought to Ready Capital:

- Collateral shortfall.
- Lack of principal experience in restaurant or franchise ownership; mitigated by the strong franchisor, who offers training and assistance in the startup process.
- Successful managerial experience, including owner/operator of an insurance business.
- Strong franchisor business with over 30 years of successful operations and a well-known brand in the marketplace.



CREATIVE SOLUTION

We chose to look at the experience of the borrower and the strength of the franchise to get the deals done. We knew that we had a successful businessman who would be able to transfer his skills from one type of business to another. The business model is also a proven franchise with specific guidelines based on their success. We were able to get past the lack of experience in the restaurant industry and fund four loans in under six months.

Reliable results

- **The loans provided our client with the necessary financing to start up the Charley's Philly Steaks franchise in multiple locations within Walmarts in the Dallas-Fort Worth Metro area.**
- **This transaction led to the creation of many full and part-time jobs within the franchise and will expand the business portfolio of the borrower.**
- **We were able to create a very satisfied repeat customer after the first two loans and go on to quickly fund another two in a very short period.**