

ADDRESSING YOUR FEARS

when dealing with licensed investment banks



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If you have been looking for money for your business, project, M&A, etc – you have heard some horror stories of stolen money or lost time and opportunity; perhaps you have been a victim of scams or dirty brokers yourself... unfortunately they are out there, but they will get punished sooner or later. There is a better way. A straight forward, no broker nonsense proper way to get your financing accomplished. Licensed investment banks are the way to go.

Here's the hard part. When you are dealing with an investment bank, there will be fees required prior to the closing of your transaction. The client must hire the bank and pay for Due Diligence. There are no exceptions to this rule. Nothing will happen and no banker will entertain the transaction without being hired/engaged to work for you. Because this is not what most clients are used to doing they are fearful of losing their money – to some it just does not sound right. Traditionally for decades you went to your commercial bank and never had to hire them, but with an investment bank it is different, they must be hired to work for you.

The purpose of this short paper is to address your fears in dealing with investment banks. We will try to be very quick and to the point.

The most common fear we see among various clients we talk to is FEAR OF THEIR MONEY BEING STOLEN.

This fear has no place in working with Concord Capital and our investment banks (*WE WORK ONLY WITH LICENSED BANKS, not individuals, angel funds, brokers, or other fly-by-night entities*). A BANKING License is an earned privilege to conduct certain types of business by the bank. If the bank violates or abuses a client in its everyday business practice – the complaint can be filed by the victim. After proper review by the Central bank (*or the governing body that oversees the banking licensing*) the banks license may be revoked, and will not be able to conduct any Banking business or will be made to pay heavy fines. There is no amount of money in the world that will entice a bank to take a chance to lose their license. You will be dealing only with a licensed investment bank directly.

You will be talking to a decision-maker at the highest level of the Bank, not a branch manager with limited power. The fee you pay – will be paid to the bank directly (*no brokers*) ONLY AFTER you are completely satisfied and agree with the terms of financing.

The fee you will pay for engagement and due diligence – are mostly pass through fees. The bankers do not get rich on them. In fact most of the fee goes to top accounting, engineering and law firms, etc. that will be retained on your behalf. The bulk of your fee will go there. The bank earns most of its fee from the funding, not before.

Another FEAR is — WILL I PASS THE DUE DILIGENCE?

Actually, this is the aspect that you, the Client, control completely. If you know that all the numbers are correct and your business plan is real and can be verified – why worry that you will not pass the due diligence? Due diligence is nothing more than double checking the numbers and facts of your business plan and business. If you would be the lender, you would want to know that your investment or loan you gave is sound. So instead of being afraid of due diligence – you must embrace it, because if something negative is found during the due diligence process – it is to the benefit of you the client and the project. For example, let's say that due diligence finds that one of your subcontractors had a lawsuit against them for poor craftsmanship and negligence – the bank will recommend that you replace this subcontractor with another one. It is that simple. The purpose of due diligence is not to kill the transaction, but to enable the transaction and make it even stronger. Therefore, as you see because you control the content of what is submitted to the bank for due diligence you are in control of the outcome of the due diligence process.

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Final FEAR – WHAT IF THE BANK

DOES NOT WANT TO FUND THE TRANSACTION ANYWAY.

We know, after you read the information above – this question will not come up. However, because we are constantly bombarded with this question, we will address it as well. Remember, you hire the investment bank to work for you. The bank makes their money ONLY if the Client gets the loan/equity funding. No transaction – no money for the bankers. Because they are highly trained (*and highly paid, of course*) and a licensed institution, they will not waste their time on projects they know they cannot fund. The bank simply will not issue terms to a client if they have no intention, or see a possibility of not funding the transaction. Furthermore, there is no reason for the bank not to fund your transaction once you pass due diligence. The banks complete focus is to fund the transaction which you truly have a great deal of control over.

You may have many other questions in regards to the way the investment bank works and we offer a variety of articles on our web site: <http://concordcapitalonline.com/articles.php>

There are no stupid questions – if you do not find an answer to your concerns – feel free to contact us. We will be happy to help you take any and all possible fears out of transaction with our bankers. We will be happy to be your trusted consultant.

Some transactions funded by our banks: <http://concordcapitalonline.com/financing.php?t=3>

(when you become a Client of the Investment Bank – they will be able to provide you with many more references on successfully funded transactions, if you will find a need for it)

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