

Jeffrey H Bunin of Capital Lending Corp

Speaker1: [00:00:04] This is the Investor Connect podcast program. I'm Hall Martin and the host of the show in which we interview Angel Investors, venture capital, family offices, private equity, many other investors for early stage and growth companies. I hope you enjoy this episode. Interested in learning more about investing in startups, launching a new startup need to raise funding, the startup Funding Espresso is a daily podcast and a short, concise format delivered to your inbox every day Monday through Friday, the time it takes to drink an espresso. You can learn about startup funding to subscribe, go to invest Karnig and put your email into the pop up box. Hello, this is Hall Martin with the Investor Connect Today we're here with Jeffrey Bunin, Vice President of Commercial Lending of Capital Lending Corp.. Capital Lending Corp. has smart and savvy residential, commercial and business financing solutions. Kelcy arranges for financing through direct funding sources as a New Jersey License Corp. despondent mortgage lender regulated by the state and federal governments. Jeffrey, thank you for joining us.

Speaker2: [00:01:03] Thank you.

Speaker1: [00:01:04] All right. So what was your background before investing in early stage companies?

Speaker2: [00:01:09] Well, we are we do not invest. It doesn't want to make sure that we fund companies that want debt financing and qualify for. OK, we do have contacts with the DC community. OK, well, we don't specialize in that, OK? Just want to be, you know, set the table correctly. Sure. Since my background is a the engineer. Our chemical engineering chemical engineering degree from the City College of New York, CCNY, and an MBA from Harvard Business School. And I started off as a chemical engineer, got my MBA at night, I switched over to corporate planning in the in the chemical sector and the 20 years I was director of corporate planning for a large chemical company in Jersey and helped to grow from 30 million to 50 million before I left. Also, a former adjunct professor at Rutgers Business School in the NBA team consulting program, because when I go with my good friend Carlos Fontanelle, who's the CEO, I cut the lending last year by about two thousand and five.

Speaker1: [00:02:39] Good deal. So what excites you right now?

Speaker2: [00:02:43] Well, I'll tell you the I mean, the amount of technology, especially in tech technology and medical technology, is really breaking down barriers and making companies supplying trains much more efficient. And the reason our the cost savings tremendously and making it easier for people to do business online and offline. And so I think it's a huge I think it's driving a lot of the investment dollars these days. OK. Also, medical technology, telemedicine is really huge. OK, I'll call and then basically, you know, those companies that are also making the real estate sector more efficient, serving the needs of property managers and their tenants, and it's it's really exciting time to see all these new companies, Brossel. And what's really interesting, one, when I was in consulting, after I left the chemical sector and think. Chaplain, I did consulting for a company called Giganto, which is predecessor Tremor Video, which is an ad streaming company, and they're the ones who invented and selling ads in TV and in streaming video. And I helped out the original one, the original founders, Jesse Shinar, doing his business planning, which resulted in his merger with Time with Troma video. And I started to get number 12 for the merged company, which is pretty cool.

Speaker1: [00:04:39] Great. So you see a lot of startups out there. What's your advice for people lending to startups? What do you tell them to do before they put the money in?

Speaker2: [00:04:48] Well, I got to tell you, you know, in London, it's always the same four principles cash flow, credit, collateral and management and management is number one. OK, because a lender has to believe that the management team can implement the plan and overcome whatever obstacles come their way, and it's the army that's being the lender has to believe the bankruptcy to implement the plan successful. And that's the plan itself. One of the things we have to do is tap lending is what we're lending where any project is assemble a loan package from the materials supplied by our client. That is easy to understand that the Olympics can appreciate as an actor. And it has to be self-explanatory. And we run a do run across a lot of situations where we do have to put a lot of work in to get that done and we're glad to do it, you know, for Westlaw projects.

Speaker1: [00:05:59] Ok, great. And then on the other side of that equation, what's your advice for people running startups? What do you tell them to do before they take out a loan?

Speaker2: [00:06:07] Well, I mean, first of all, they have to I mean, investors look at the same thing, lenders to. Investors, of course, are betting on the come with lenders when to get paid, when the loan starts, but it's the same as they say everybody wants to invest in the company that has good prospects, has the ability to somehow generate cash flow for the investors in the starting place and for the investors and lenders when the company is a little bit more mature and its cash flow. I wonder what I would advise startups and early stage companies to check out the lending side altro before they check out the equity song, because lending is cheaper than debt. I mean, debt is to be. All right, and there could be situations, there's some types of financing available or especially asset based lending like bartering receivables, financing the purchase of financing that would enable them to not need as much money as they think they might to to get the country moving in the right direction. And we have all sorts of ways of looking at things and figuring out how we can be of assistance. So check out the lending side before you get too much in the equity. Let us help you stretch what we have.

Speaker1: [00:07:49] All right. Well, let's talk about the state of startup funding. How do you see the industry evolving these days?

Speaker2: [00:07:56] It seems like a lot of the equity venture capital situations are looking for unicorns. Basically those million or one shots that have that have the ability to explode in, in and out. Goodness knows that's a worthwhile thing to look at, but there's a lot of other areas which may not be unicorns, but all for very nice returns on investment. OK, the knock on the door, that's Bitcoin, but our Coinbase. But the one person where the returns on investment and service, some real, very, you know, reasonable needs in the real estate or health care area or see housing area, that that would pay a good positive return on investment. And so I think instead of using looking for the or the next big exploding GUMBLEY shock or some less risk adverse situations with the rate returns are reasonable, but don't include the risk that some the other.

Speaker1: [00:09:25] Well, great. And so what do you think is the biggest change you think we'll see in, say, the next five years?

Speaker2: [00:09:30] Well, the next big change, I think that's five years is going to be a continuation of cost savings and especially with 5G. One guy is going to make things like

telemedicine and almost instantaneous, it will make it a real time. All right, so it's there a compress the learning curve, OK, and time it takes to get to market, OK, because communications will be so much easier. All right. So one GWB is going to have to reflect on many sectors of the economy. I and include the entertainment, including medicine, including teleconferencing, like Zoom, it's going to be really revolutionary, probably more than a lot of other sectors. And the other thing I look for is Mr. Bargain's president, Byron's infrastructure bill really adding meat to what we eat to the to the structure of the country. All right, Amy, telemedicine delivery, OK, was great medical supply chain logistics and the electrification of the retail industry are going to depend on that kind of infrastructure serving it. OK, GM and a number of other automakers are supposed to go all electric within the next 20 years. Which means they're going to have to reinvent the electric grid, we have to reinvent how power is generated. We got a real warehouse distribution and there's going to be charging stations at every place, places. Now you have. Including me in parking lots as well. So going but you weren't allowed all those jobs. What will disrupt the job? I would classify them as green jobs because those infrastructure jobs are going to lower. I believe lower cost of energy and make us all more efficient and thereby decreasing our energy requirements.

Speaker1: [00:11:55] Great. Well, let's talk about your investment thesis. What is your criteria for making an investment and what do you look for to put your money into?

Speaker2: [00:12:03] I love the way I look and I look on the ground, on the conservative side, OK, basically I look for companies that are well-established and are going in the right direction and are contributing to economic growth. All right. I'll tell you, from a capital lending viewpoint. OK, in other words, I don't own any Bitcoin and I don't intend to. OK, I just don't I you know, I think what's his name said the resident says he doesn't invest in anything he doesn't understand. And Bitcoin is something that will cryo currency or something. I just don't really understand comfortable enough to withstand that sort of. But in Capital One, it was, as I mentioned before, we cash for collateral credit and management and a business plan that is self-explanatory and covers all the bases and shows that at least in the base case, they're able to explain coherently, OK, how they're going to make money and pay back whatever loan they get.

Speaker1: [00:13:26] Well, great. Well, you see a lot of startups out there. What do you think is the main challenge you see Starbucks facing today when they launch their business?

Speaker2: [00:13:35] Well, I the main challenge is funding. There's so many of them out there. A lot of times we get remnants of packages that are not very well done. And they have things explained to the investor how it benefits the consumer. That problem, if they have to explain to the investor how the product is going to benefit the consumer. It's very important that they get the idea across. And we see a lot of things where that isn't really delineated as to how their product differentiates sample from our competitors. And how a customer is done with their product, that was

Speaker1: [00:14:25] Very good, and then what does he challenge investors face in today's market?

Speaker2: [00:14:31] Wow. While Italian Westerns have patience, they have to decide what their risk tolerance is, OK, and make sure they're not investing in stock, in items they don't understand or just is not within their investment goals, OK? They don't want to mix your conservative investor, OK, and you're looking to retire in the next 10, 20 years. They have a different outlook than somebody who's in their 20s and has a different time horizon as to how investments when they were very good.

Speaker1: [00:15:14] And you mentioned several sectors and applications a moment ago. If you had to pick one or two that you think are the best opportunities for investors to pursue, what do you find most interesting out there?

Speaker2: [00:15:26] Well, I only mentioned telemedicine. I already mentioned Polje. I already mentioned fintech technology enabling transactions, made mortgages or bank transfers or of banking in general to be done more efficiently. OK, but there are so many out there and I wish the intelligence probably is another one that's going to be whose combination with 5G is also going to be a huge investment opportunity. Great.

Speaker1: [00:16:05] Well, in the last year that we have here. What else should we cover that we haven't?

Speaker2: [00:16:08] Well, what are the people when you when people seeking funding are looking for the looking for the source, looking for those funds, they should look at things from the funding source in Newport. They believe that it's your money going to be invested in your company. What do you have to tell the investor or lender that's important to make them believe that what you're doing is worthwhile and it's going to pay them back?

Speaker1: [00:16:44] Well, that's good advice.

Speaker2: [00:16:46] Quickly point that perspective missing. And that's what we tell people to do, is we have to look at it from the lender's viewpoint. That's what capital does. Well, putting together packages, that is some explanatory. So the lender has a feel that what's been presented to her is plausible and do great.

Speaker1: [00:17:11] We appreciate the information. How best for listeners. Get back in touch with you.

Speaker2: [00:17:16] They can call me and you can hold us to two one two nine five two hundred. And my cell is two one two seven five six eight six. And the e-mail is J b you and I n. And capital lending dot com capital, L, I, e and Diane G,

Speaker1: [00:17:41] Right, we'll include those in the show notes. Want to thank you for joining us today and hope to have you back for a follow up.

Speaker2: [00:17:47] Sounds good to me.

Speaker3: [00:17:51] Investor Connect helps investors interested in startup funding. In this podcast series Experience, investors share their experience and advice. You can learn more at Investor Connect, Doug. Paul Martin is the director of investor Canek, which is a five Wannsee three non-profit dedicated to the education of investors for early stage funding. All opinions expressed by Hall and podcast guests are solely their own opinions and do not reflect the opinion of Investor Connect. This podcast is for informational purposes only and should not be relied upon as a basis for investment decisions.