



All Your Commercial Equipment Needs  
From Phone Systems to JETS  
\$5,000 to \$\$\$\$Millions

Funding Visions  
Developing Dreams

#### Did You Know?

A green diamond is the rarest. Other rare colors are purple, blue, sherry, black, brown, champagne, cognac, orange, pink & yellow. The 4 C's of diamonds are carat, color, clarity & cut.

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## The JGI Companies

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# Newsletter

#### Definitions

##### Application Only Lease

This is a streamlined credit process using a one-page application containing basic information about the company & its principals. This along with bank & trade references & credit reports on the principals is used to review credit up to \$75,000, sometimes as much as \$150,000. Financial statements, tax returns, business plans or detailed disclosures are not required.

WELCOME to the JGI Newsletter. We at JGI value & respect our past, present & future clients and their businesses. We want you to be well informed about your financing choices and we want your business to grow as a result. We will endeavor to deliver relevant & timely information that will make your job easier. We welcome any suggestions you may have or ideas for topics you are interested in. Always feel free to contact us with any questions. We are here to help you find the best solution for you and your business.

Jim Jones, President & CEO

Betty M. Bledsoe, Leasing Director

#### \*\*\*\*\*SPECIAL NOTICE\*\*\*\*\*

Check out our new and improved website at [www.jgicompanies.com](http://www.jgicompanies.com).

### Why Is My Personal Guarantee Requested?

Personal guarantees from owners are requested from almost all businesses, with the exception of large public corporations and long-established companies with a proven track record. You may ask what are the benefits of your giving your personal guarantee on financing for your company. The credit analyst that reviews your file will consider your guarantee a definite plus in the approval process. Remember, we generally don't do an in-depth analysis of your business plan, market potential or competitive position and you select the equipment and the supplier you feel can best satisfy your needs. Our financing does not generally include the restrictive covenants and periodic management reviews typical in bank loan agreements, so we rely largely on the commitment of the owners in the form of a guarantee as an indication of the confidence those owners have in the future of their own business and its ability to meet obligations. You have built up a successful business and we are just asking you to stand behind your company with a promise.

Another big plus is more favorable financing terms. Instead of having to pay two or three payments or a ten percent security deposit in advance, you may be required to only pay one payment. Less upfront means more money in your pocket for other necessities for your company.

Of course, there are times that a personal guarantee can and will be waived. If your company has been in business for a long time; if it has strong business credit reports with prompt payment history; if you have significant average balances in your business bank accounts with no history of NSF's or have existing comparable "corp only" loans or leases, the guarantee could be waived. It could also be waived if you have a strong personal credit report and your company has a strong net worth.

We hope this explanation of personal guarantees has helped you understand why they are requested.