

## FOR IMMEDIATE RELEASE

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### WHEN FAILURE SUCCEEDS: VENTURE NORTH SUPPORT PAYS OFF WITHOUT FINANCING

**TRAVERSE CITY, MICHIGAN** – When Matt Cozzens, owner of 7 Monks food pub in Traverse City, turned to Venture North Funding and Development for loan capital, he didn't know that their support without financing would be just what he needed.

"Since opening in 2011, my partner Jim Smolak and I had things moving in the right direction," said Cozzens who also owns a 7 Monks operation in Grand Rapids. "We had great people hired in 19 positions that swells to 45 more part-time jobs in summer. We had an evolving and successful food menu, over 40 craft beers and even a "Big City" craft cocktail bar in the lower level – the LOW BAR. As our customer base grew, we kept our beverage and food offerings fresh and in line with customer preferences. But we had positioned ourselves for years to acquire the building we leased and it just wasn't working out."

"A terrific concept and great business," said Laura Galbraith, President of Venture North. "The owners know their business, are diligent about their unique menu and beverage offerings and have stellar customer service. They offer a friendly and unique atmosphere and they flourished."

Cozzens said the property acquisition was a top strategic priority.

"We had a supportive landlord but we also wanted to make property improvements and enjoy the appreciation of the land and building through our work," said Cozzens. "It's difficult to finance leasehold improvements without owning the premises that provide collateral. We wanted to invest in ourselves and be in control of future tenants that share the property. It was a hole in our armor."

The "hole" was simple but formidable: the asking price for the property exceeded the appraised value, making financing difficult to obtain.

Cozzens turned to State Savings Bank, a strong regional bank with Benzie County headquarters and a branch in Traverse City. Cozzens and the Bank asked Venture North to participate because of their flexible terms and conditions and willingness to overlook the collateral gap because of their familiarity with and confidence in the owners.

"We reviewed the situation and had many discussions about approaches to address the problem," Galbraith said. "We wanted to offer encouragement and back that up with results. Matt and I devoted hours working through the possibilities."



Eventually all issues were resolved, the closing papers were prepared and the financing team was looking forward to helping the owners achieve their vision.

But, just as the parties were marching to the closing alter, a boost in company sales eliminated the need for Venture North to participate.

“For a couple of months summer business revenue exceeded that of 2019,” Cozzens said. “By the time it came to closing, we made the conservative decision to forego financing through Venture North. But what a huge comfort to know they were there for us if and when needed.”

“Fortunately for everyone, revenue increased and made the deal possible,” said Galbraith. “For us it was still a big win,” said Galbraith. “We invested time, not money, and the solution the company was looking for happened. Perfect!”

“My business experience spans from California to Traverse City and I can say with experience and conviction that businesses are fortunate to have Venture North,” Cozzens says. “They were wonderful to work with, were flexible with decisions and came up with a plan that met our needs.”

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Venture North Funding and Development loans money to small businesses to help them and northwest Michigan communities flourish. We work at a grass roots level and offer flexible terms and conditions and consider small loans. We are a Community Development Financial Institution and place priority on providing loans and other resources to small businesses in distressed communities and under-represented populations, like women and ethnic minority business owners. **Call us. Email us. Or stop us on the street.**  
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