20th Anniversary

2003-2023

COLEBROOK FINANCIAL

20th Anniversary

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Colebrook Financial Company:

Celebrating 20 Years of Success

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Celebrating 20 Years of Success

20th Anniversary

2003-2023

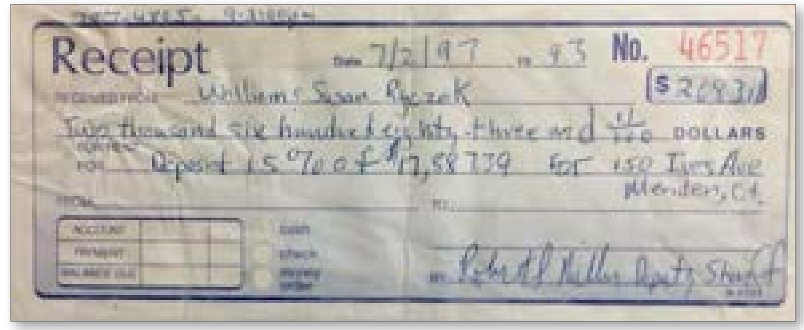
Most people think the finance business is about numbers and mathematics. They're wrong. It's about people and their needs and about using financial resources to satisfy those needs. Therefore, this book is mostly about people rather than numbers. It's about Colebrook's principals, its employees, its customers, and its bankers. The only form of mathematics needed in the finance business is arithmetic, while understanding the complex relationships in the timeshare industry requires years of experience and a deep understanding of human nature.

Twenty years is a tragically short life span for a human being, but it's an unusually long one for a business entity. Sixty-five percent of all businesses fail within the first ten years. Some are doomed from the start by inadequate capital, poor management, or a flawed idea, while others flourish for a while and then fall out of fashion or fail to survive the career of their founders.

Colebrook Financial has survived for 20 years (and ten years prior to that as a part-time venture) because its principals understand the timeshare finance industry, understand loan underwriting and risk management and, most importantly, know what their customers need and how to satisfy those needs. A lot has changed since 2003 and Colebrook has changed along with the times. The following pages tell the story of the people who played a role in the twenty-year history of Colebrook Financial Company.

The Birth of Colebrook Financial

The life of the business entity that eventually became Colebrook Financial began on July 2, 1993, when Bill Ryczek went to City Hall in Meriden, CT to bid on individual tax liens being sold by the city. With an offer of $17,887.39, he was the successful bidder for the lien on a single-family residence located at 150 Ives Avenue. He gave his personal check in the amount of $2,683.11 for the 15% deposit.



Receipt

Date 7/2/93 19 93 No. 46517

William & Susan Ryczek $2683.11

Two thousand six hundred eighty three and 11/100 DOLLARS

FOR Deposit 15% of 17,887.39 for 150 Ives Ave Meriden, Ct.

Bill, Jim Bishop, Fred Dauch, and Linda Heller formed a partnership called Cross County Investment Associates and contributed the remaining capital to purchase the lien. On the day before the expiration of the one-year redemption period, Cross County received payment in full, including a year's interest at the statutory rate of 18%. The investment met Cross County's initial criteria, a good return with the only work consisting of watching the calendar and checking periodically to make certain the property hadn't burned down. It was an encouraging but modest beginning.

It was an encouraging but modest beginning.

Bill Ward, Jr. and Tom Ward

Ward Financial Company, under founder Bill Ward, Sr., was one of the pioneers of the timeshare finance industry. In the early days, the industry consisted of a plethora of small, independent operators, most of which had little idea of how to obtain financing. Bill, Sr., former Chief Operating Officer of Westinghouse Credit Company, built a prosperous business connecting prospective borrowers with finance companies like Barclays American, where he and Bill Ryczek began their relationship in 1981. Eventually, Tom Ward joined the firm and later Bill, Jr., after a career in commercial banking, made it a threesome that gradually became a twosome when Bill, Sr., now a spry 91 years old, retired. The Wards had a relationship with Liberty Bank when the Colebrook partners were there and the connection continued after the formation of Colebrook.

Bill Ward, Jr. (left), and Tom Ward

Bill Ward, Sr.

Respect Your Elders—

Who invented timeshare lending? The most common answer is Herb Hirsch of Barclays American Business Credit. Not the inventor, but an early pioneer, would have been Bill Ward, Sr. He started Ward Financial Company in 1980 and owes a debt of gratitude to Bill Ryczek and the team originally with Liberty Bank that eventually formed Colebrook Financial.

Relying more on intuition than actual experience (because there was no meaningful track record back then) Bill Ward, Sr. and Bill Ryczek forged ahead together in timeshare finance. It must have made an impression, because every phone call ends with "Give your father my regards" Or if Bill is in Pittsburgh he first asks if Bill Ward, Sr. is available to go to dinner. If not, then his sons Tom and Bill, Jr will do.

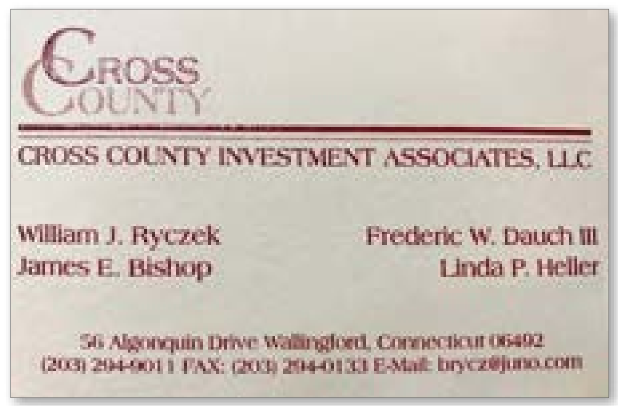
We are so proud that someone that we respect so much holds our father in such high regard!

In gratitude,

Tom Ward and Bill Ward, Jr.
Ward Financial Company

Cross County Becomes Colebrook

After purchasing the tax lien, Cross County bought two condominiums and capitalized on the financial problems of the early 1990s to acquire small timeshare portfolios from distressed financial institutions. Wall Street didn't have a lot of interest in $50,000 timeshare packages, and Cross County was able to negotiate some pretty favorable terms. The RTC and FDIC just wanted to get rid of the assets, and Cross County was happy to help. Since the partners had full-time jobs, all profits were re-invested in the business and the $50,000 portfolios became $200,000, and then $300,000, with capital supplemented by small loans from friends and family. In 1997, the company obtained its first bank line of credit. We were still, literally, operating out of a basement. Our business address was Bill Ryczek's home address and our place of business was the office in his basement. Our office equipment consisted of a telephone and a fax machine that handled one page at a time when it was in the mood. The background noise callers to Cross County heard was Bill's son's band Florida equals Death practicing in the adjacent garage. Meanwhile, to the accompaniment of the guitar riffs and bass line of Florida equals Death, Florida timeshare resorts were bringing life to a small but growing company

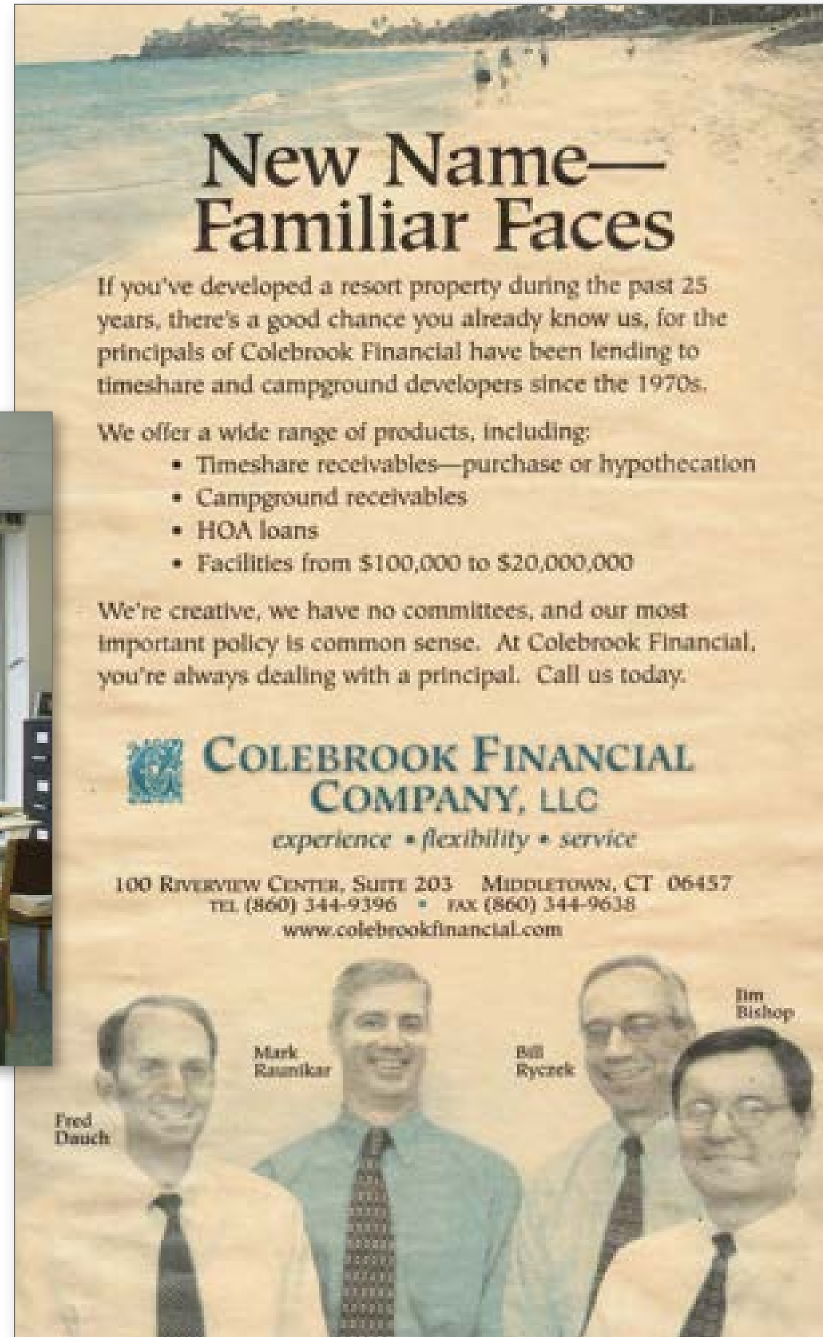


"Great things are not done by impulse, but by a series of small things brought together."

Vincent Van Gogh

Like Van Gogh, we embarked on a series of small things, a little portfolio here, a distressed piece of real estate there, and a small hypothecation loan somewhere else. Unlike Van Gogh, we kept our ears intact and close to the ground, always open to the next opportunity. By 2002, the little things had enabled our tiny business to grow into a small business, and the partners thought that maybe if they devoted their full attention to it, it could get bigger. On January 1, 2003, Cross County Investment Associates became Colebrook Financial*, with an office and four partners devoting their full time to the business.

Since grammar school days, authority figures have been telling Bill to clean up his desk. He decided to avoid authority figures through self-employment. The building rising highest in the background is the former home of the James H. Bunce Company, where Bill began his working career in 1969 as an employee in the store's furniture department.



*The name Colebrook Financial was taken from Colebrook Press, the name Bill Ryczek chose to self-publish a paperback version of one of his books.

We started with a small space, which only had three offices. As the youngest partner, Mark wound up with a desk in the corner of the kitchen. Storage was also limited, and when Mark put a deal on the back burner, he really put it on the back burner.

Yes, Jim Bishop really did look that young when we started.

The photographs from 2003 were taken by Bill's mother, the late Katherine Ryczek, pictured here in the Colebrook reception area. Mrs. Ryczek, a lifelong resident of Middletown, lived about a mile from the office and liked to stop in to check on the group she called "my boys" and make sure everyone was working hard.

Scott Lager

Scott Lager is the Chief Operating Officer of the Manhattan Club, one of the earliest urban timeshare projects in the United States. Scott is an attorney with a long track record in commercial real estate who became involved in the Manhattan Club from its inception. He was Colebrook's main contact throughout the relationship.

Manhattan Club, New York, New York

Saving the Best for Last—

The lenders to the Manhattan Club have included (in order); FINOVA, Textron Financial, Resort Funding, Merchants Mortgage, Resort Finance, CapitalSource and then Colebrook Financial. With that list, I know a thing or two about the customer experience side of a lender / borrower relationship. I have always praised Bill and his team for being there when others weren't, taking the bumps in stride and always, always having our back when we needed it. There has never been a better financial partner for the Manhattan Club!

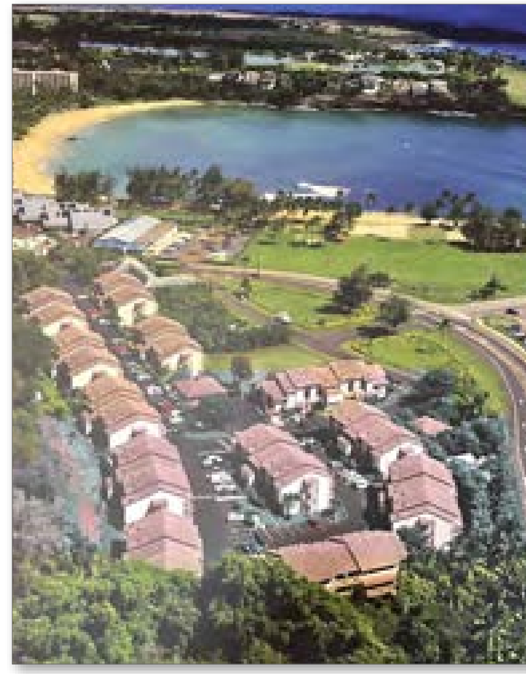
Thank you for everything and Congratulations!

Scott Lager
The Manhattan Club

Our Early Customers

When Cross County Investment Associates became Colebrook Financial in January 2003, we brought a few customers with us and added a few more during that first year. Without those relationships, there would be no Colebrook Financial, and we are eternally grateful for their confidence in us during those early years. We recently caught up with a couple of clients who were there at the beginning.

Ben Bregman— Timeshare Liquidators of Hawaii



Banyan Harbor Resort, Lihue, Hawaii

In October 2002, Ben was selling timeshare inventory at Banyan Harbor Resort in Kauai, from which he'd accumulated a batch of receivables. He hadn't been able to get financing for them because his portfolio was too small for national timeshare lenders and the loan was too complex for local banks. "I remember when we got started," Ben said recently, "I had a stack of these notes at my house and when I needed money, I'd borrow $50,000 or so from a friend and give them a few of the notes. But my friends ran out of money and I was referred to Cross County through Bill Ward (with whom Colebrook's partners had a relationship since 1981). They sent me all these documents

We couldn't have done it without them.

and I had to sign all these allonges. It was a pain, but Bill talked me through it and once I had the financing in place it enabled me to accelerate my sales. A couple of years later, we were named one of the 50 fastest growing companies in Hawaii. I couldn't have done it without Colebrook."

We financed Banyan Harbor receivables through 2007, and in the early years Ben was one of Colebrook's big customers. He eventually stopped selling timeshare and became one of the first people in the industry to undertake the re-purposing of timeshare inventory. Banyan Harbor had more inventory than it needed, and since they had a good relationship with Ben, they turned to him for a solution. He learned the business of re-acquiring title, which requires the investigative skill of a detective, the persistence of the timeshare salesman he'd been, and the attention to detail of a title company operative. He's successfully re-acquired and sold several units for the association, and it was in that role that he re-connected

The Kosher Cowboy

Bill Ward, Sr. with a very young-looking Tom Ward manning the Ward Financial booth at the annual ARDA convention.

Don't Go There—

Because of the alliance Ward Financial has with National Bank of Arizona we compete with Colebrook Financial. Everyone thrives on competition. It is one of the things that drives all of us in business. Whenever Ward Financial has the chance to bid on a loan opportunity, and we learn that Colebrook is the existing lender, we put down the iPhone and calculator and raise the white flag. It's over. We know there is no tool that will pry a customer away from Colebrook. Colebrook sells financing, but they provide happiness. Who can compete with that?

Congratulations on battles you've never had to fight!

Bill Ward, Jr.
Ward Financial Company

Alex and Ben Bregman at the College World Series when Alex played shortstop for Louisiana State University.

with Colebrook. "Twenty years later," Ben said, "Colebrook was there for me again. With COVID coming on, I was a 'Nervous Nellie,' and they gave me a line of credit that helped me sleep at night."

Ben currently spends winters in Kauai and summers in Missouri, where he raises Angus cattle on his ranch. As a young man learning the ranching business, he was known as The Kosher Cowboy (or is it Kowboy?). Ben is a big sports fan and was a long-time high school football official in Hawaii. But his primary connection is to the game of baseball. His father, Stan Bregman, was general counsel to the Washington Senators from 1969-71. Ben and his brother Sam played college baseball at the University of New Mexico. The best known of the Bregman clan is Sam's son Alex, third baseman for the Houston Astros and one of the best players in Major League Baseball. In 2019, Alex hit 41 home runs and finished a close second to Mike Trout of the Angels in the AL MVP voting.

Uncle Ben is one of Alex's biggest fans and frequently goes to Houston to watch him play. He's recently hosted Colebrook at Minute Maid Park, and even though we don't do nearly as much business as we used to, we've always kept in touch. Ben's part of our history.

Jon Ginsburg—Sciota Village Estates

We were negotiating with Jon's brother Henry in late 2002, when Colebrook was known as Cross County and its office was in Bill's basement. Late one dark winter afternoon, at the end of a long conversation, Bill told Henry, "I really think you should be our customer." Sciota Village's lenders didn't seem like a good fit; the company was burdened with too many financing expenses and not getting a lot of attention.

Henry was a deliberate man, and he wanted to think things over. In March of 2003, he made his decision and Sciota Village began its 18-year relationship with Colebrook. "We had two lenders," Jon said. "One of them didn't know the timeshare business and the other was interested in much bigger developers. We liked the fact that Colebrook had been in the business for a long time and was willing to work with smaller developers."


Henry Ginsburg, 1966-2015

Henry passed away tragically in 2015, and Jon and his wife Kelly assumed management of the company. Colebrook funded Sciota's timeshare receivables until February 2018, after which the loan amortized until it was paid in full in December 2021. It was a good relationship for both parties. "We appreciated the fact that we got a wire the same day Colebrook got the original contracts," Jon said, "that we could have conversations about the challenges in our business, and that Colebrook was always reasonable. I was concerned after Henry passed that they would be hesitant to continue the relationship, and it was very important that they came through for me."

The reason there were no fundings after February 2018 was that Jon was moving in a different direction. He'd looked at his situation and realized the serious disadvantages of trying to compete in the Poconos market as a small independent against the likes of Wyndham and the large hedge fund operating Split Rock Resort. He had to make a change.

Sciota Village therefore went to the dogs—literally. "I could see that the demand for dog-friendly accommodations," Jon said recently, "exceeded the supply, and we had the perfect property for it. It's wide open, people have their space, and the dogs don't disturb other guests." Jon and Kelly designed a few "dog-friendly" units to test the demand. They built exercise runs enclosed by special fencing, which is easy on the dogs' paws and hard to dig up. The interior décor was transformed with dog-themed accessories.

It turned out that there were enough dog lovers to fill up the new units on a regular basis. "It's been a great business for us," Jon said. "There are additional housekeeping and maintenance costs, but it's been well worth it." An aging timeshare resort acquired a new lease on life. The dogs are happy, their owners are happy, and Jon and Kelly are happy. And we at Colebrook are happy for them. Like Ben, they were part of our earliest days and will always be part of the Colebrook family.

In Memoriam—Bob Newsome—Northstar Resort

Bob Newsome

Bob Newsome had been selling timeshare intervals at Cedarbrook Resort, located in Killington, Vermont, and had a small portfolio of receivables he wanted to finance. Late in 2001, he got in touch with Cross County, and in January 2002, we closed a hypothecation loan. A couple of years later, when Bob acquired Northstar Resort, just up the road from Cedarbrook, we financed those receivables as well.

Year after year, we renewed our loans. Bob was getting a little older (he was 64 when we closed our first loan in 2002) and we always asked him about succession planning. One day he told us he had attended a seminar in Boston where he learned that someday a human would live to be 1,000 years old, and that person was probably alive today. "I could be that person," Bob told us with the trademark twinkle in his eye.

Unfortunately, Bob was *not* that person. He passed away in late 2021. His Colebrook loan outlived him and paid off in early 2022. We will always remember Bob for his sense of humor, his enthusiasm, and his boundless optimism. He didn't live to be a thousand years old, but he lived a full life and lived it on his terms. We miss him.

Northstar Lodge, Killington, Vermont

Haven't We Seen You Somewhere Before?

One of the timeless aspects of the timeshare business is its timelessness. People and places recycle and invariably anyone who stays in the business long enough will encounter someone or something from their past.

One of our biggest customers in 2003 was Celebration World Resort in Kissimmee, Florida. Our loan paid off many years ago and the resort was sold. Coincidentally, it was sold to our customer, the Zealandia Holdings family of companies. In 2021, some of the buildings at the resort, which had been re-named Festiva Orlando Resort, were re-purposed to apartments and renamed once more as West Point Park. Colebrook extended two bridge loans to fund the renovations, 20 years after financing timeshare receivables for the predecessor company.

Some stories date back even farther. In 1981, when Bill Ryczek was with Barclays American Business Credit, he financed receivables at the Jockey Club in Las Vegas, and the following year he financed receivables at Nautical Watch, located in St. Petersburg Beach, Florida. Starpoint Resorts (see Chapter 5) now operates out of the Jockey Club, which is a lot different than it was over 40 years ago. In 1981, the property stood isolated and alone toward the southern end of the Strip. Today, it is towered over on both sides by Bellagio and Aria and is smack in the middle of the action.

Forty years after Bill's initial foray at Nautical Watch, one of Colebrook's customers acquired the resort's management contract and we financed the acquisition.

Years ago, we had a cabinet filled with what we called "Dead Deals." But many of them kept coming back, and Mark Raunikar suggested we change the title to "Slumbering Deals," because in the timeshare industry, things have a way of coming back to you.

Jockey Club, Las Vegas, Nevada

Jon Fredricks

Jon Fredricks is the former CEO of The Welk Resort Group, headquartered in Escondido, California. The grandson of legendary bandleader Lawrence Welk, Jon became involved in the family resort business in the 1990s and was named president in 1999. Under his leadership, the company grew from its Escondido base to encompass seven world class resorts in the western United States and Mexico. Welk Resorts was sold to the Marriott Corporation in 2021. Jon was a guest speaker at one of Colebrook's Lender Education Seminars, which enabled him to visit his son who was attending the nearby University of Hartford.

Jon Fredricks speaking at Colebrook's 2015 Lender Education Seminar.

Bill Ryczek is certainly the Father of Timeshare Finance. He is a master at analyzing risk, credit and underwriting in an industry that historically has run the gamut of borrowers - from charlatans to Wall Street CEO's. Every time I would see Bill and the Colebrook team, a big smile would emerge on my face. I knew that a great story, hearing about the latest book or a unique view on our industry or credit markets was brewing. As I got to know Bill and his team, I was perplexed that even though Colebrook had the most experience, wisdom, and knowledge of any lender in the timeshare space, and yet, was not managing billions in assets, just millions. I remember reaching out to Colebrook during the Great Recession, when other lenders had limited or exited hypothecation financing to see if he could free up any capacity so our sales teams could keep selling. Of course, Colebrook immediately rose to the challenge—creating capacity with a number of lender partners. Then, when life returned to normal, Colebrook helped our Vacation Owner's Associations with various capital projects, enabling owners to enjoy new facilities earlier than anticipated and improving our guest experience. Even when we really didn't have a need to meet with Colebrook at ARDA, we always wanted to make time. The stories, camaraderie, friendship, humor, and kindness from the Colebrook team was too much of a joy for us to miss. Congratulations Bill and the Colebrook team on your 20th anniversary and thank you for your support of Welk Resorts in the past, and of our great industry always.

Jon Fredricks
Former CEO of the Welk Resort Group

Colebrook and the Great Recession

The early years of Colebrook consisted primarily of working with small developers, who were ignored by large lenders or gouged by finance companies. Smaller, higher-risk deals result in higher returns and during our first year of full-time operations, the average yield on our assets was 17%. The catch was that we didn't have a lot of assets.

That changed during The Great Recession, when liquidity virtually disappeared from the timeshare industry. There were only two lenders left standing, and Colebrook was one of them. Until then, we'd been the company people sought when they had a somewhat unusual deal. Suddenly, as one of two available lenders, our phones were ringing off the hooks. One day, Bill lined up a series of pink phone messages with the names of the most prominent executives in the timeshare business and said to his partner Fred Dauch, "If these people are all calling *me*, I think the industry is in trouble."

The industry *was* in trouble, and Colebrook was ready to seize the opportunity. The problem was that it was a very difficult time to raise capital. Colebrook's financing came primarily from banks, which were cutting back sharply on their lending activity. Throughout the recession, finding prospective loans was easy—just answer the phone or read your email; everyone was looking for money. Finding money was harder, and Bill spent virtually all of his time courting banks and private lenders in order to provide the capital so desperately needed by the timeshare industry.

Colebrook found a lot of capital but not nearly enough to satisfy all of the requests. We therefore had to decide who we wanted as our new partners. We knew that finance is cyclical and there would come a time in the not-too-distant future when capital would be plentiful once more. We didn't want to save a company from ruination only to be tossed to the curb a couple of years later when competition returned. Therefore, we tried to identify customers we thought would be loyal to the company that helped

"Inside of every problem lies an opportunity."

Robert Kiyosaki

them in a time of extreme need, customers with a history of loyalty to their lenders and a corporate ethic that emphasized the importance of relationships. Joe Berry of Eastern Slope Resort in North Conway, New Hampshire was a classic example. He stayed with his first hypothecation lender until it exited the timeshare industry. He'd been with his second lender until they folded their tent and left the field of battle.

Welk Resorts, Breckenridge Grand Vacations, and Todd Herrick of Sedona Pines Resort gave off the same vibes, and we established relationships with all of them. Our judgment turned out to be pretty good, for all of them stayed with us. They may not have needed us in the same way they did during the crisis, but they all found a role for us.

While the Great Recession was a perilous time for anyone in the finance industry, it was a watershed event for Colebrook, which transformed from a specialty lender to a mainstream competitor, capable of going "toe-to-toe" with the big boys. In 2019, they surpassed a billion dollars in loans, an occasion commemorated by the mock billion-dollar bill below.

River Walk Resort, Lincoln, New Hampshire, a Colebrook customer since 2018.

Eastern Slope Inn, North Conway, New Hampshire, a Colebrook customer since 2010.

Latitude Vacation Club, Ancora Cap Cana, Punta Cana, Dominican Republic, a Colebrook customer since 2021.

Tracy Gaylord

Tracy Gaylord is Managing Director of the Resort Finance Division of Western Alliance Bank. She has a Masters of Business Administration degree from Union University and graduated from Albany Law School. She first began doing business with the Colebrook partners in the late 1990s when they were at Liberty Bank and she was a young law school graduate just starting her timeshare lending career with Litchfield Financial. Tracy has become one of the most respected lenders in the timeshare industry, combining finance company creativity with banking resources to become a great partner for Colebrook and many others.

We share several clients with Colebrook Financial. Their expertise has traditionally been in the small-medium loans. From time to time they have brokered loans to us that were larger than would fit their business model. Our timeshare industry relationship with Colebrook began [just about] 20 years ago and has grown over the years.

We share the core beliefs of loyalty, customer service, and transparency. Western Alliance congratulates Colebrook Financial for 20 years of innovation and we look forward to collaborating with them in the future.

Tracy Gaylord,
Managing Director of the Resort Financial Division
Western Alliance

A Tale of Three Companies

(And Two Banks)

This book celebrates the 20th anniversary of Colebrook Financial Company, but the history of a company is not just *their* history; it is intimately intertwined with those of other organizations that played vital roles in their growth. That's why we believe the best way to tell the Colebrook story is in tandem with those of a select few organizations without which Colebrook would not be what it is today.

We've had a lot of customers and a number of bankers over the past 20 years, but there are two customers and two banks that have been with us for virtually the entire life of the company and have a special place in our history.

In the Beginning

When we started Colebrook in January 2003, one of our first transactions was a million-dollar receivable loan to Festiva Resorts for their Cabins at Green Mountain property in Branson, Missouri. We'd known Festiva CEO Butch Patrick from his days as CFO of Peppertree Resorts, a privately-held regional developer based in Asheville, North Carolina. Peppertree was sold to a large company called Equivest, and after working for the new owner for a while, Patrick and Don Clayton, who'd run Peppertree's sales and marketing operations, decided it wasn't for them.

"We had resigned from Equivest," said Butch, "and we didn't have jobs. I could have gone back to public accounting, but after getting a taste of the timeshare business, that didn't seem very appealing. Don had other offers, but we decided to see if we could succeed as consultants to the timeshare industry. We figured we'd give it a year."

That summer, Festiva got a sales and marketing contract at Ellington Resort in Myrtle Beach and by the end of the year they were profitable. By 2003 the company was in the development business and came to Colebrook for the loan on the Branson property. "We talked to a couple of other lenders," said Butch, "and they weren't interested. The loan was too small for them. One of them told me to call him back when I had a million dollars in the bank."

"One of them told me to call him back when I had a million dollars in the bank."

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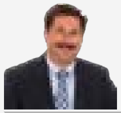
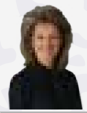
1869
- Dime Savings Bank of Norwich established
- Brian McNamara



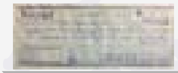
1870
- Naugatuck Savings Bank established
- Jayne Kelly



1960
- Assets reach $25 million

1990
- Assets reach $245 million

1993
- Cross County Investment Associates established Buys tax lien as first asset Cross County buys its first timeshare portfolio in partnership with two others



1997
- First bank financing
- Assets reach $200 million Make first loan to Colebrook
- Mark Yanarella named President

2002
- Mike Muldoon forms Starpoint Resorts

2003
- Cross County changes name to Colebrook Financial Company and becomes full-time operation Makes first HOA loan
- Colebrook makes first loan to Festiva for Branson project and later closes $9 million hypothecation loan for same project.
- Colebrook makes first loan to Starpoint

2004
- Assets reach $10 million
- Colebrook makes inventory loan for the acquisition of Jockey Club inventory
- Open branch in Rhode Island

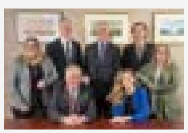
2005
- Starpoint forms GeoHoliday Club Colebrook finances club receivables

2006
- Acquires old Peppertree assets from Wyndham and establishes Festiva Resorts Adventure Club

FESTIVA

2009
- Financial crisis provides growth opportunities
- Acquired Castle Bank Consolidate Colebrook accounts

2010
- Assets reach $100 million



2011
- Nick Caplanson replaces retired Jim Cronin as President

2012
- Colebrook Chronicle launched

THE COLEBROOK CHRONICLE

2013
- Tom Petrisko joins Colebrook
- Acquires Escapes with Colebrook financing
- Equity investment from NY hedge fund
- Naugatuck Savings changes name to ION Bank Charles Boulier named President

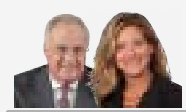
ion BANK

2015
- Colebrook extends 10th receivable loan to Festiva

2016
- Acquires Condominium Management Services with Colebrook financing
- Assets reach $800 million

2019
- Reach $1 billion in loan fundings

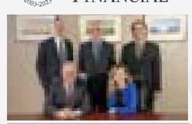
2020
- Melinda Miramant joins Colebrook as CFO, Harry Heller becomes partner, Rachel Belardo joins Colebrook. Extend first re-purpose loan
- Colebrook finances first furniture lease for Zealandia Capital



2021
- First re-purposing loan from Colebrook
- Expands to Branson, MO. Purchase sales center with Colebrook financing
- Melinda Miramant becomes partner

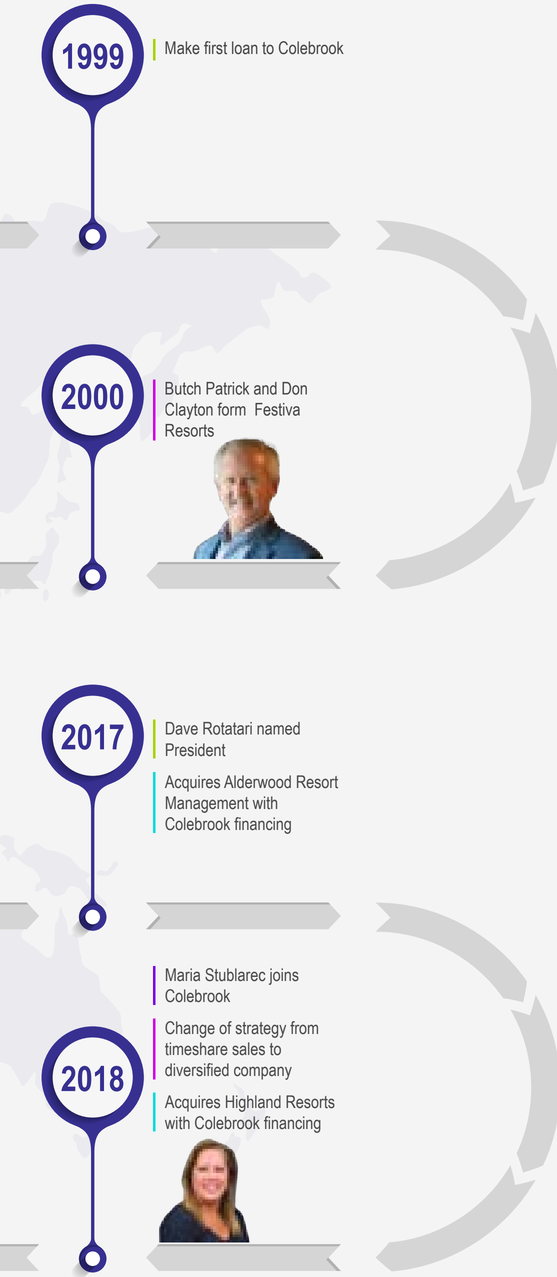
2022
- Assets reach $1 billion
- Colebrook relationship exceeds $20 million. Acquire Lincoln First Bank

COLEBROOK FINANCIAL



Colebrook Stays the Course

COMPANY KEY: Colebrook | Festiva/Zealandia | Starpoint | Dime



Colebrook was just getting started and happy to look at loans that were too small, too complicated, or otherwise unappealing to the competition. On that first deal, Colebrook got $2,500 for due diligence expenses and could keep whatever wasn't spent. By staying in a low-end chain hotel with sporadic heat and eating at a low-end chain restaurant, we added a few hundred dollars to a meager bottom line. The loan closed, sales went well, more financing was needed, and in July, we closed a $9 million loan, by far Colebrook's biggest deal to that point.


Colebrook Financial Company, LLC

First Marketing Efforts

At about the same time we closed the $9 million loan, we sent a mailing to the timeshare industry, announcing the fact that a new lender was looking for customers. The mailing generated one response. It was from a fellow in Las Vegas named Mike Muldoon who'd started a company called Starpoint Resorts. A mutual business acquaintance told Mike we were probably a good fit and we went out to meet him.

Mike Muldoon was a former timeshare salesman with enthusiasm, charm, and a good idea. He'd noticed that homeowners' associations were accumulating inventory from defaulted owners and had no way to liquidate it. "I had friends on the property management side," he said, "who told me what was happening in their world, and I thought 'There's a model for a cheap, long-term, endless supply of inventory.' And I was right." The associations were happy just to get a new dues-paying owner and therefore Mike got his product for free. He set up shop in a Vegas strip mall a couple of storefronts down from a massage parlor that may have offered more than backrubs.

Our due diligence visit with Mike was similar to the Branson trip; it wasn't lavish. He didn't splurge on accommodations, putting us up in the tired Sahara Casino Hotel, where the heavily worn carpets still seemed to have Dean Martin's cigarette ashes ground into them. Starpoint was putting

Butch Patrick

Mike Muldoon

sales prospects there and got a good deal on the room rate. The company was selling inventory in Lake Havasu, and Bill rented a small car to make the long drive through no-man's land to the lake. The temperature in Lake Havasu that afternoon was 108 degrees, but he (and the car) made it.

Starpoint and Colebrook passed each other's inspections and closed a $3 million hypothecation loan. "I was impressed," said Mike, "that Colebrook was willing to work with companies that were not institutional in scale and were ramping up." We were impressed by his ability to find opportunity and his energy in pursuing his goals.

Mike Muldoon Discovers Arbitrage

During the early years of the Colebrook relationship, Mike, who had a limited finance staff, had almost daily conversations with Mark Raunikar about his plans for the business and its financing. "Mark taught me how a financial institution would view my business and about the characteristics of successful businesses."

Starpoint's initial sales were modest, and some weeks Colebrook funded only one or two contracts. Like most salesmen, Mike liked getting cash from his customers rather than taking back notes. Colebrook pointed out that there was money to be made from a receivables portfolio and sent him some projections. It wasn't long before Mike became very excited about a financial concept called "arbitrage." That meant more loans for Colebrook and a lot more interest income for Starpoint.

Festiva Acquires Old Peppertree Assets and Moves to the Next Level

Meanwhile, Butch Patrick and Don Clayton were making a bold move. In 2006, they learned that Wyndham was looking to sell the Peppertree assets they'd acquired just a few years earlier. "We had the most intimate knowledge of those assets," Butch recalled, "and we knew where the challenges lie." Wyndham agreed on a price, and after a complex and difficult closing, the assets Butch and Don had managed for someone else were now theirs.

"That was a great day," Butch recalled. "It really validated our decision to start the business. At the time we bought the assets, we thought the price was fair, but as it turned out, it was a *great* price." Two years earlier, Festiva had purchased the old Peppertree headquarters, a charming Tudor revival castle named Zealandia, built in 1889 atop Beaucatcher Mountain, which looks down upon the city of Asheville. "That was very rewarding," Butch said, "because it's a unique asset in the Asheville community."

With its vast array of new properties, the company established the points-based Festiva Resorts Adventure Club, which gave purchasers access to the entire Festiva portfolio of resorts. Points-based timeshare offerings are pretty common now, but they were relatively new in 2006. Colebrook was one of the first lenders to understand how to lend safely against receivables generated from the sale of points and financed the new sales. As Festiva and Colebrook grew, so did their relationship. There were additional receivable loans, an inventory loan, and a growing level of mutual confidence and respect.

The Band of Brothers and Sisters

Mike Muldoon was also surging ahead. He moved from his little sales room in the strip center to the Jockey Club, an established Las Vegas timeshare resort that became the hub of his operation. Like Festiva, he established a points-based product. Sales volume increased substantially and the Colebrook loan grew commensurately.

By 2013, Starpoint's impressive growth and innovative business model attracted the attention of a New York equity fund, which purchased 50% of the company. The partnership gave Starpoint the platform to continue its growth, add inventory from additional properties, and acquire several property management contracts.

In the early years of the Starpoint relationship, business dinners were modest. On one occasion, Mike grilled steaks for Bill and Mark at his condo prior to watching a Monday Night Football game. As Starpoint grew and its business relationships multiplied, the dinners expanded. Mike now hosts two regular dinners each year, at the annual ARDA convention and the Fall Conference. Attendance varies from 20-25, including prominent people from public life, and sometime during the evening, Mike stands up and offers a toast to "the band of brothers and sisters" who've helped each other succeed. It's always a memorable evening.

Dime Bank Takes a Chance on a Fledgling Company

To provide financing for Festiva and Starpoint, Colebrook needed funding partners. In the company's initial stages, Cross County Investment Associates was bootstrapped by financing from home equity lines and loans from friends and family. When the company began to grow, it approached Dime Bank about a line of credit.

Dime is a venerable institution, formed in 1869 as Dime Savings Bank of Norwich. Our first meeting was in the old boardroom at Dime's longtime office in downtown Norwich. A new suburban headquarters was under construction, and a steady stream of water dripping from the ceiling into a strategically placed wastebasket indicated that the move could come none too soon.

Being a part-time, unproven venture in the unique timeshare industry made financing a tough sell, and the discussions continued over several months. Bob Giffen, Dime's chief commercial lender, knew the principals from their banking days, saw some potential in their model, and finally decided to make the leap. In 1997, he approved a very carefully structured, well-collateralized $500,000 line of credit. Dime had just celebrated reaching the $200 million asset level and giving half a million to a fledgling organization was a major step. It would be like today's Bank of America, at its current asset size, making a loan of $7.9 billion. Perhaps we should have applied at Bank of America.

Dime Bank and Colebrook Financial celebrate their 20th anniversary of doing business togrther in 2017. On the left side of the table are Nick Caplanson, Dime CEO, Harry Heller, Linda Heller, Jim Bishop, and Dime Vice President Beth D'Amato. On the right are Bill Ryczek, Dime Senior Vice President Brian McNamara, Mark Raunikar, Tom Petrisko, and Fred Dauch.

Brian McNamara

Or maybe not. Dime was a much better fit because they operated a lot like Colebrook. Their decision makers stayed close to the action, they catered to smaller businesses, and they were accessible. "We're able to be somewhat entrepreneurial and less like a larger bank," said Dime's current Chief Lending Officer Brian McNamara. "We're always looking to find a way to do a deal, to overcome obstacles, rather than looking for a reason to turn it down."

Brian admitted that getting the bank to lend to a timeshare financier presented some major obstacles back in 1997. "But now it's a much easier story. We have a very long history with Colebrook, they're acknowledged experts in their field, and they do the heavy lifting for us. We have a lot of questions, but they always have the answers. And as former bankers they understand the regulatory environment we live with." He laughed with a hint of envy. "That's something they don't have to deal with anymore."

"When I got involved," Brian said, "I was surprised at how many people owned timeshare products. I had no idea it was so widespread. And it was fascinating to go behind the scenes and see the sales, servicing, and collection functions. It's an interesting, very complex business."

Sometimes going behind the scenes created surprises. One rainy morning during a field trip to a company that is now one of Colebrook's largest customers, Brian arose early, got dressed, walked down the hall, and was greeted by a steady stream of water cascading from the ceiling. It was like the old Dime boardroom. Fortunately, the waterfall was the result of an isolated maintenance problem, but that's why lenders visit properties.

25 Years Later

As Colebrook grew, so did Dime. In 2004, it reached $500 million in assets and became the first Connecticut bank to open a branch in Rhode Island. In 2020, Dime established a presence in the Hartford market and in 2021 the bank crossed the billion-dollar asset threshold. By then, they were participating in Colebrook loans as well as lending us a lot more than $500,000.

During the 25 years Dime and Colebrook have worked together, there have been many transitions. Two Colebrook partners retired and two were added. At Dime, longtime president Jim Cronin retired and Nick Caplanson took his place. Bob Giffen retired and when Brian stepped up, Beth D'Amato took Brian's place as our loan officer. Transitions are often difficult for Colebrook; we have an unusual business and when our advocate leaves, we've sometimes found ourselves on the outside looking in. At Dime, however, the torch has been passed and the flame is still burning.

"Never pass a bank without going in to ask for a loan."

Colebrook's relationship with ION Bank began with an eviction proceeding—no, not ours. Bill owned several multi-family houses in Meriden, Connecticut, and one day he was in housing court trying to shed a non-paying tenant. As he left the courthouse, he noticed a Castle Bank branch around the corner and remembered the words of an old associate: "Never pass a bank without going in to ask for a loan."

Bill pulled into the parking lot, walked through the door, and found that the bank's chief commercial lender was Rick Dawson, an old acquaintance. The timeshare industry was too different for Castle, but it was willing to offer a $100,000 line of credit if Bill gave them a first mortgage on two of his rental properties. We wanted Castle to learn about our business, and therefore pledged timeshare receivables as additional collateral, so they could see how hypothecation loans worked and how well the receivables performed.

With the support of President Larry McGoldrick, the Castle relationship grew but, shortly thereafter, Rick left and went to Naugatuck Savings Bank.


The Founding Fathers of Naugatuck Savings Bank


Tuttle Manufacturing Company.

He liked our company, he liked us, and asked if we wanted to do business with Naugatuck. It was 1999, we were still Cross County Investment Associates, and we were delighted to have another financing option.

Thank Goodness for Community Banks

The beginnings of Naugatuck Savings Bank (which changed its name to ION Bank in 2013) were as modest as those of Cross County. The bank was founded in 1870 and on August 15th of that year accepted its first deposit of $5 from 15-year-old Miss Ella Peterson. The fledgling institution couldn't afford to own or even rent its own building; it occupied a small frame structure at the Tuttle Manufacturing Company.

By the end of its first year, Naugatuck Savings had $3,330 in deposits and mortgages totaling $1,100. Growth was slow but steady during the next century, but in that volatile era, slow and steady won the race. During the Great Depression of the 1930s, 9,000 U.S. banks failed, but Naugatuck Savings survived. Naugatuck was a bustling manufacturing city during the first half of the 20th century and the bank catered to the employees of local companies. By 1960, assets had grown to $25 million.

In the 1970s, NSB became the first savings bank in Connecticut to install ATMs in its branches and during the following decade it expanded beyond its Naugatuck base. By 1990, assets were $245 million and when the first Cross County loan was made, the bank's assets were close to $400 million.

The bank and Colebrook got to know each other better. Colebrook's management was invited to address the bank's board of directors and two directors joined the president and senior management in visiting one of the resorts the bank was financing in conjunction with Colebrook. The more they learned, the more comfortable the bank became.

"Responsiveness and turnaround time are the keys," said ION Executive Vice President and Chief Lending Officer Jayne Kelly, who has been involved in the Colebrook relationship since the beginning. "We strive to be proactive, and we've got some very experienced lenders. Their experience allows them to match a structure with the customer's needs." A lot of bankers say those things, but ION actually does them.

In 2009, NSB acquired Castle Bank and consolidated Colebrook's facilities at the two banks. In the meantime, Kevin King, a seasoned commercial lender with a background in asset-based lending, took over the Colebrook relationship. Kevin understood receivable financing, lockboxes, and the type of financing Colebrook offered its customers. He, Jayne Kelly, and President Dave Rotatari became strong advocates, and the relationship really began to grow. Sadly, Kevin passed away early in 2022 after a long illness,

Jim Casey

Four old colleagues who worked at Barclays American Business Credit in the 1980s get together at an industry conference in Miami. left to right, Jim Casey, Bill Ryczek, Frank Caplan, an attorney now in private practice with Berger Singerman of Miami, and Dave Brede, now with Liberty Bank.

Jim Casey

Jim Casey was a timeshare lender for nearly 40 years, serving in executive capacities with Textron Financial Company, Heller Financial, Capital One Bank, and others. When he began his career with Barclays American Business Credit in 1982, Bill Ryczek was one of his co-workers. He replaced Jim Bishop at Textron. His chief lieutenant at Capital One was Tom Petrisko. Jim's initial involvement with the latter institution had a strange Colebrook twist. In 2011, rumors began to spread that Capital One planned to enter the timeshare industry. Bill Ryczek and Fred Dauch of Colebrook set up a meeting with the bank in New York, planning to convince them to partner with Colebrook to source and administer their portfolio. While they sat on the train, a man wearing a business suit came up behind them and recognized them immediately. He quickly turned around and exited the car without being seen; it was Jim Casey, who had the same destination, scheduled to interview for the position of running the Capital One Resort Finance Division. Apparently, Jim was more convincing than Bill and Fred, for he was hired and ran the division until retirement. Jim currently serves as consultant and board member of Flagship Resorts of Atlantic City, New Jersey, one of Colebrook's largest customers.

I love Colebrook. They have a wealth of knowledge, are great guys and they KNOW how to lend! I've known Bill now for 40 years! And I've learned a lot from him especially in my early days. He's been a co-worker, a competitor, and a friend!

Jim Casey

but Scott Blois and Sal Romano took over the relationship and it continues to be strong. As with Dime, we have a broad base of connections within the bank, which is one of the secrets to the longevity of the relationship.

"Our relationship with Colebrook," Kelly said, "has been nothing short of *stellar.* They 'get it' and have consistently produced high quality transactions. They're ex-bankers and know what we need, and they know how to manage a portfolio."

Starpoint Acquires Highlands Resorts

While Dime, ION, and others were supplying the money, Festiva and Starpoint were putting it to good use. In 2018, Starpoint acquired long-time Colebrook customer Highlands Resorts and, since Colebrook was familiar with both companies, it extended the financing for the acquisition. The Colebrook-Starpoint relationship included, at various times, hypothecation loans, an HOA loan, a bridge mortgage loan, an inventory loan, and the aforementioned acquisition loan. Starpoint's growth and financial strength allowed it to obtain other financing sources, but if a request was a little out of the box, or when they needed to act quickly, they called Colebrook.

Festiva and Colebrook Explore a New Frontier

In 2018, the Festiva organization decided to move in a different direction. Times were changing and it was becoming increasingly difficult for an independent timeshare sales operation to compete with the brands and their hotels filled with prospects. Festiva's sales and marketing costs kept going up until they reached the point where Butch Patrick decided to shut down sales and focus on other aspects of his company's business.

Over the years, Zealandia Holdings, Festiva's parent company, had acquired a construction management firm and an IT company, which provided steady income. They had portfolio income from their receivables, management fee income from their numerous resort properties, and an internal exchange company that generated fees from owner exchanges.

Zealandia also had another *very* valuable group of assets. With no future timeshare sales in prospect, the company had a number of unleveraged resort properties in attractive locations with a great deal of unutilized space.

Unlocking the value in those properties wasn't easy. One can't simply take a knife, slice off 23% of a property, and sell it. The process of unwinding a timeshare regime is complicated and at the time Zealandia began doing it, there were no road maps or established rules. Every state was different, each property had its own nuances, and every conversion was a new adventure. Once an alternative use was determined, timeshare owners needed to be bought out or moved, renovations had to be done, and operating expenses had to be paid during the period where there was no income.

That's where Colebrook came in. Although re-purposing a property is a tricky proposition, we had a 17-year relationship with the Zealandia organization. We knew they planned thoroughly, worked diligently, and prepared for things that might go wrong. The last quality was invaluable, for in a new, unproven process, it was inevitable that there would be delays and false starts.

It would be a challenge for a bank to provide direct financing for a conversion, since bank regulators aren't particularly enamored of loans "outside the box" and they weren't anticipating timeshare conversion projects when they built the box. Colebrook isn't subject to bank regulation and can do things that are unusual if they make sound economic sense. In turn, banks can lend money to Colebrook because it's financially sound and has solid assets and Colebrook can use some of that money to fund projects like Zealandia's conversions. It's what linguists call "synergy."

Synergy and Common Values

Synergy is a good description of the relationships between Colebrook, its longtime bankers, and its longtime customers. Starpoint and Festiva couldn't have reached maturity without financing from Colebrook, which couldn't have funded Starpoint and Festiva without financing from banks like Dime and ION. The two banks couldn't have grown to their current levels without customers like Colebrook.

It's not an accident that the five entities have been doing business together for so long, for they share many characteristics. Each has come a long way from

Tom Petrisko, former Zealandia CFO Dennis Patenotte, Butch Patrick, and Bill Ryczek take in a game at Yankee Stadium.

humble beginnings. Colebrook emerged from a basement home office to become one of the leading lenders to the timeshare industry. ION evolved from a startup institution huddled in a corner of Tuttle Manufacturing Company to a full-service commercial bank big enough to acquire other institutions. Dime, once a small local savings bank, has more than a billion dollars in assets. Festiva went from two employees to more than 1,000 and Starpoint became formidable enough to attract Wall Street investors.

Humble beginnings aren't easily forgotten, and each entity has retained a generous portion of its entrepreneurial spirit, along with the personal touch of a small company. Equally important is the fact that each controls its own destiny. Dime and ION are mutual banks rather than stock institutions and have the luxury of being able to focus on relationships and long-term results rather than quarterly earnings and the whims of the financial markets. Colebrook is owned by its partners and has a similar long-term focus, as well as the caution and judgment that comes with having one's own money at risk. Mike Muldoon and Butch Patrick likewise have their own money at stake and are focused on the long-term vision and value of their companies. "We have the unusual history," said Butch, "of being a timeshare development company that didn't raise outside equity. I've had a lot of offers but have no desire to sell. My goal is to develop the next generation of management that can run the company effectively for the shareholders for many years to come."

Jayne Kelly, Executive Vice President and Chief Commercial Banking Officer, ION Bank

Interactions take place among decision makers. "The conversations we have with you," Butch once said to Colebrook's partners, "are completely different from the conversations we have with our other lenders (which were large banks)." Communication is frequent; meetings, lunches, phone calls, and emails provide regular updates on pending projects, potential new business, and the state of major league baseball. "We've always had very open communications with Colebrook," said ION's Jayne Kelly, "and that's what makes it work. There's nothing like sitting across a table and talking things through."

Entrepreneurial organizations seek new opportunities. Starpoint saw homeowners' associations with illiquid inventory. Festiva saw unused timeshare inventory with hidden value. Dime saw opportunity in Rhode Island and Hartford. ION was the first savings bank to deploy ATMs and was a pioneer in the use of personal teller machines.

Colebrook is an innovator merely by the nature of its business. There are only a handful of lenders to the timeshare industry and even among that select group Colebrook tends to get the jump on the competition when new products arise.

Three companies and two banks have worked together for 20 years. Synergy and common values brought them together and have enabled each to grow significantly. Each, while pursuing its own objectives, has contributed to the success of the others. That's how good business relationships work, and these are *great* business relationships.

Partner Retirements and Transition

One of the most difficult tasks for any business is surviving beyond the careers of the founders. They often have unique skills and relationships with each other, which may be very hard to replicate. Replacing a partner is not merely filling a job; it's more like someone becoming part of the family.

In 2011, one of the original partners had a serious heart attack and was out of the office for an extended period. Working one person short made us realize we needed to think about succession planning. Business was good and the time seemed right to add a new partner.

Left to right, Rachel Belardo, Mark Raunikar, Harry Heller (seated), Bill Ryczek, Melinda Miramant (seated), Tom Petrisko, Maria Stublarec.

"If you don't take charge of your transition, it is a dark and lonely road."

Brian Stann

Melinda Miramant and Maria Stublarec are responsible for Colebrook's accounting, cash management, and office administration.

Harry Heller and Rachel Belardo share a chuckle over an amusing and whimsical Lockbox and Servicing Agreement.

No search was needed. We had known from the time we started Colebrook that, should we need to add someone, Tom Petrisko was our man. We'd worked with him for several years and knew he had the skills, attitude, aptitude and personality we needed. He joined Colebrook in July 2013 and gradually transitioned to a partnership role.

> *"Having worked with Bill, Mark, Fred and Jim at Liberty Bank, I not only respected their knowledge and experience and knew that I could learn from them, but I also enjoyed their friendship and the day-day conversations that would occur. When they left Liberty I told my wife it was my goal to eventually work with them again, so in 2013 when the opportunity arose to join Colebrook it was a no brainer."* —*Tom Petrisko*

In 2018, Maria Stublarec, who'd been a contractor for 5-½ years, joined the company as an employee. Like Tom, she was a known quantity and the transition was seamless.

Jim Bishop, our original Chief Financial Officer, had gradually been reducing his workload, and informed us that he wanted to retire in early 2020. Once more, we had a candidate in mind, but this was a bit tricky. Our choice was Melinda Miramant, who had been the manager for our independent accounting firm for the past eight years. Our contract prohibited us from offering Melinda a job without going through the firm. Fortunately, the partners' concern for their employees' futures over-rode their reluctance to lose a good employee, and she became Colebrook's CFO in January 2020 and a partner a year later.

> *"I wasn't looking to leave public accounting, I loved it. But when Colebrook called, I knew I had to listen."* —*Melinda Miramant*

Fred Dauch retired in December 2020, and Colebrook again went to its roster of known talent. We'd always been a little top-heavy with management, and with Tom Petrisko already on board, we didn't need to add a partner. We really needed administrative help and turned to Rachel Belardo, the legal assistant to our attorney Harry Heller. Like Tom and Melinda, we'd known Rachel for a long time and knew she had the skill set we needed. She works for Colebrook two days per week.

We've made it through the first transition, and don't foresee any changes in the next few years. It's a leap many companies never make, and we're thankful to have transitioned successfully.

The Future

What do the next 20 years hold in store for Colebrook? If we knew, it would be boring. It is doubtful that we could have predicted in 2003 the kind of company we are in 2023. We were funding very small developers and looking for portfolios we could buy at a discount.

We're not that company anymore. We have some pretty big clients, and we're offering unique products like re-purposing loans, loans secured by management contracts, and HOA loans. Our path has been determined more by changes in the timeshare industry and the finance industry than by our own design.

Planning is a good thing, but to be too reliant on planning prevents one from seizing opportunities. When we started in 2003, we decided we should craft a budget, because that's what real companies do. It turned out that we forecast our income nearly to the penny in aggregate, but the way we got there was nothing like we expected. Sources we expected to be lucrative dried up and new opportunities arose that we hadn't foreseen. So we stopped doing budgets.

We have no control over the way the timeshare industry evolves or the way in which our competitors behave. We can, however, be prepared to take advantage of opportunities those changes may present. We look at re-purposing and at the strong level of activity in Mexico and see both as potential opportunities. Our advantages over our competitors are that we are not a regulated institution and can react more quickly to change.

Perhaps Colebrook will be a leader in re-purpose financing, and maybe we'll greatly expand our Mexican and Caribbean presence. Or maybe something new, like fractionals, will become our next opportunity. We can only keep watching, keep thinking, and be ready to move when opportunity knocks.

"You should never make predictions… especially about the future."

Casey Stengel

Bert Blicher

Bert Blicher has been involved in just about every facet of the timeshare industry. He's been a lender, a developer, chairman of the industry trade group, owner of a timeshare resale company, owner of a timeshare resale finance company, and a consultant. Bert knows everyone in the business and everyone knows him. He and Bill Ryczek first met in 1979, and when the phone rings and someone asks, "Is this the great Bill Ryczek?" there's no doubt who's on the other end.

My companies have had a lending relationship with Bill Ryczek and Colebrook for about 15 years.

I plan on continuing that relationship for another 15 years (assuming I am still around).

In my opinion, Colebrook is unique in the timeshare lending field. This makes me think of Colebrook first when it comes to needing a lending source for a deal.

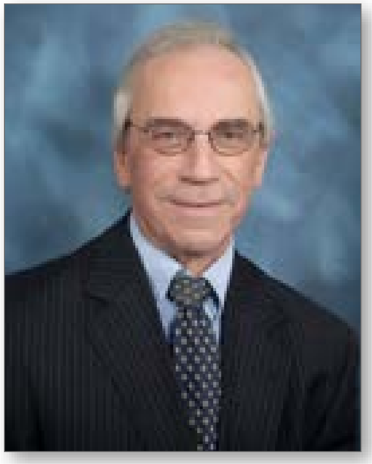
When you call Colebrook, you don't get voice mail or a receptionist. You get either Bill or one of his partners. No call backs necessary.

After you secure the loan with Colebrook, the senior staff does not forget about you. They call to see how you are doing and ask what else they can do for you. Many times, Bill has called me and suggested a change in the structure to make the loan better for us. In fact, once he called to lower the interest rate. What other lender would do that?

Bill is also a great friend and sounding board with solid advice to help me in my business decisions.

Bert Blicher

The People of Colebrook Financial



Bill Ryczek
Principal

Bill began his timeshare career in 1979 with Barclays American Business Credit, when the industry was in its infancy. It was less corporate, more entrepreneurial, and filled with some unforgettable characters. There is a trove of remarkable stories from the early timeshare days, some unbelievable, some hysterical, and some better left untold.

Bill learned lessons in those days that he has never forgotten. But he's also changed with the times, outlasting all his early colleagues and learning to finance points-based programs, homeowners association, re-purposing projects, travel clubs, and lots of other things that didn't exist in the 20th century. Bill is always looking for the next frontier, never hesitant to plunge boldly ahead (see Mark Raunikar's bio). As an elder statesman of the timeshare finance industry, Bill is a frequent speaker at industry conventions and has written dozens of articles for trade publications.

Bill and his wife Susan live in Wallingford and Branford, Connecticut. Their son Mike, an artist, lives in Dedham, Massachusetts and their daughter Anne Bellone, a recruiter, lives in North Carolina. Bill's hobby is writing, and he is the author of 11 books, including ten on sports history. He has written numerous articles and appeared on many radio and television programs discussing the history of baseball and football, specializing in 19th century baseball.

Mark Raunikar

Principal

Mark has the reputation of being the most level-headed of the Colebrook partners, called the "Voice of Reason," by some. He's not afraid to take risk, but he's good at politely puncturing balloons filled with unwarranted optimism (see Bill Ryczek's bio). A graduate of the University of Connecticut with a degree in Mathematics, Mark was working part time at Liberty Bank during his final semester when he heard of an opening for a timeshare loan officer. He decided to apply and was invited to interview with Timeshare Manager Bill Ryczek.

As you may have surmised, Mark got the job. He began learning the timeshare lending business from the bottom up, underwriting individual consumer applications and slowly getting involved in more complex duties. There's no better way to learn a trade than starting at the bottom and doing everything. During his fifteen years at Liberty, Mark underwrote consumer applications, visited prospective customers and saw their properties, did field audits and servicing audits, analyzed financial statements, attended industry conventions, and got to know some of the leading independent timeshare developers in the United States.

Mark Raunikar is a lifelong Red Sox fan, but a lobster roll in the Legends dining room at Yankee Stadium got him thinking about converting. Colebrook was part of the Mike Muldoon party at the 2017 AL Wild Card Game.

Arranging consortiums of lenders to offer large credit facilities was one of Liberty's specialties; Mark was named Secondary Market Manager and placed in charge of overseeing the relationships. He also originated new loan relationships and continued to hone his skills until, after 15 years at Liberty, he was ready for a new adventure—the formation of Colebrook Financial in 2003.

Mark met his wife Jane when both were employed at Liberty Bank. While raising three children, they didn't have a lot of opportunity for international travel, a shortcoming that was rectified when their children went to college and each spent a semester abroad. Visits to Brendan in Taiwan, Annie in Copenhagen, and Jason in Prague made Mark and Jane experienced international travelers and certified *bon vivants.* All three Raunikar offspring are employed in the business world, Brendan in London, England, and Annie and Jason in New Hampshire.

Tom Petrisko
Principal

From 2003 through the first half of 2013, Tom Petrisko was like the Prince of Wales—waiting for the call to duty. The original Colebrook partners worked with Tom at Liberty and knew that he would be the first one hired when Colebrook expanded. One day in 2013, Bill Ryczek and Jim Bishop invited Tom to lunch at his beloved East Side Restaurant in his hometown of New Britain. Over bratwurst and sauerkraut, Bill and Jim asked Tom if he was ready to join the team. He was and he did, becoming a partner the following year.

A graduate of Trinity College, where he was a punter on the football team, Tom began his banking career as a credit analyst at Farmington Bank. He joined Liberty Bank as a commercial credit analyst and soon transferred to the timeshare area, where he remained until 2007, when he and two colleagues formed a Resort Finance Division at Farmington Bank. He later joined Jim Casey at Capital One Bank. At Colebrook, Tom originates new loans and manages some of the company's largest relationships.

Tom and Anna Petrisko have four children, Isabella, Mary, Sam, and Georgia. Bella is a freshman at Clemson University and the others are students in New Britain public schools. If anything is happening at any of their schools, the chances are good that Tom and Anna are somehow involved. They are active in a number of charitable causes, including Destiny Africa, a musical troupe from the latter continent that has visited the United States several times.

Why do you think they call it a *Tom*ahawk steak? Tom polishes off a formidable cut of meat at an ARDA conference dinner.

Melinda Miramant
Principal/Chief Financial Officer

For eight years, Melinda was the account manager for our independent accounting firm. We got to know her, respected her work habits and ability, and liked her. When we needed a Chief Financial Officer, we had only one candidate, but there was a problem. Under our contract with Mahoney Sabol, we had to ask permission from the firm before we could approach her. We had a meeting with Mike Sabol on the pretense of asking his advice on potential hires. After he tossed out a few names, we asked, "What about Melinda?" Mike threw himself back dramatically in his chair, covered his face with his hands, and shrieked, "*Why don't you just kill me!*" We gave him a few seconds to compose himself and asked again, "So, what about Melinda?" This time his response was more restrained. He said he would talk to her. To Mike's credit, he realized that the CFO position was a great opportunity for Melinda and encouraged her to take it.

Melinda's move to Colebrook is the culmination of a business career that began at the University of Rhode Island. Upon graduation, she accepted a job at Price Waterhouse Coopers, a typical first step for accounting graduates. Melinda liked accounting, but Price Waterhouse was too big, too impersonal, and lacked the customer relationships she enjoyed. That prompted the move to Mahoney Sabol, a smaller firm where she thrived for 20 years. Melinda liked her colleagues and loved the customer relationships, but public accounting can be grueling, especially at year-end. With an active family, she was looking for a more consistent, structured routine. When Colebrook approached her, she was ready, and told us she intended to make this her last career move.

At Colebrook, CFO stands for Chief Fun Officer. Melinda displays some fancy dance moves with the bride's father at the wedding of Mark and Jane Raunikar's son Jason in 2022.

Colebrook's accounting came easily to Melinda; she'd been doing it for more than 20 years. Cash management was another matter. Public accountants don't move millions of dollars around on a routine basis, but the CFO of Colebrook does. The first time someone said, "Take a million and a half dollars from over here and move it over there," she agonized and sweated until she got confirmation that the money had gotten safely from here to there. Now it's second nature.

Melinda lives in Cheshire, Connecticut with her husband Jay, principal of Brookside School, and daughters Grace and Avery.

Linda Patton Heller
Principal

Linda Heller attended in school in California and, as the daughter of an international business executive, grew up in a variety of places, including a period in Jamaica. She worked as a dental assistant before finding her true calling raising a family and serving as a very active and enthusiastic volunteer in the Montville community. She is a strong believer in education and was a key executive of the Montville Education Foundation for many years. Linda has been a partner in Colebrook since its inception as a part-time business in 1993. In the early days, her financial capacity was a key to getting banks to take a chance on a small company with a somewhat unusual business.

Putting her financial support behind a fledgling organization thirty years ago was a vote of confidence in her partners, a confidence that proved justified. She's done well by them and without her support during the past 30 years, their road would have been much more difficult.

Linda has lived in Montville since 1973. She has three grown children, Brian, Allison, and Benjamin, plus three grandchildren.

Harry Heller
Principal

Harry Heller leads a dual existence. Lawyers who specialize in timeshare finance know him as a knowledgeable and experienced operator in their field whose documentation is meticulous and whose work ethic is beyond question. Lawyers who specialize in real estate development in Southeastern Connecticut know Harry as perhaps the best land use attorney in the region, the one who handles all the tough approvals. If you want to construct a nuclear power plant next to an elementary school on wetlands owned by a Native American tribe, Harry's your man.

A graduate of the University of Connecticut and the University of Connecticut School of Law, Harry has practiced with the firm of Heller, Heller, and McCoy, which was founded by his uncle, Sidney Heller, since 1975. He met the Colebrook partners in 1989 while representing the now-defunct Farmers and Mechanics Bank. They were impressed and when they began making small investments in 1993, Harry did the legal work. He's been doing it ever since.

Harry on the road at a loan closing with his brand new white Lexus.

Rachel Belardo
Loan Servicing

Rachel, who grew up in Montville, Connecticut, has been a legal assistant at Heller, Heller, and McCoy since 2003, working primarily with Colebrook transactions. In 2020, she began working at Colebrook two days per week, processing loan advances and handling other administrative tasks. She is the most technically proficient of Colebrook's personnel, and we can only hope that any computer malfunctions occur on Tuesday or Thursday. Rachel's legal knowledge has made it easier for her to learn the mechanics of lending and she quickly became a valuable member of the team.

Rachel still lives in her hometown of Montville, with her husband Chris and daughter Lillian, who is the producer of Colebrook's webinars. Technical know-how runs in the Belardo family.

The pandemic didn't dampen Colebrook's holiday spirit in 2020 as we bid a fond farewell to Fred Dauch on the occasion of his retirement.

Maria Stublarec

Accounting

Maria began working for Colebrook as a part time contract employee on lease from a local accounting firm. After five and a half years as a contractor, she became a Colebrook employee in 2018, the first non-partner to join the firm and the first time we'd had a woman in the office. That was a big change, but Maria fit in easily. Colebrook is somewhat of an unusual firm in that its two accountants are our most personable and outgoing employees.

A graduate of Bay Path College, Maria, in addition to her accounting duties, is the jack-of-all-trades that every small company needs. She processes loan advances, coordinates seminars and events, and helps out wherever needed. With a background in insurance sales and experience as a self-employed accountant, Maria supplements her accounting ability with customer service skills and the sense of responsibility that comes with self-employment.

Maria lives in Rockfall, Connecticut with her husband Steve and son Zackary, a teacher support specialist and student at Central Connecticut State University. Her daughter Zoe is a teacher living in the Boston area.

Fred Dauch
Retired Principal

One day in early 1989, 28-year-old Fred Dauch appeared at Liberty Bank to interview for the position of Assistant Vice President and Consumer Loan Manager. Fred had a good background with Household Finance and the Bank of Hartford, and when he and Liberty Vice President Bill Ryczek seemed to hit it off well during the interview, he was optimistic. Bill felt the same and recommended that his superiors interview Fred. They did and told Bill they had offered him a job but without the AVP title. Bill assumed they had informed Fred of that but, when he heard Fred ordering his business cards his first day on the job, he realized they had not. He was going to have to tell Fred he was not an Assistant Vice President. He was not an Assistant Treasurer. He was a nobody.

The first few months were equally rocky, for Bill and Fred inherited a troubled portfolio typical of savings banks that began making commercial loans in the mid-1980s. Fred had to collect loans from dead people, people who were bankrupt, and people who were in jail. In the latter instance, he developed a process of giving title transfers to the jailbird's wife to deliver for signature during her visits. He then had to explain the procedure to the FDIC.

Things got better. Fred worked through some extremely difficult situations and established a reputation for reliability and a tremendous talent for generating new loan volume. Those who knew Fred were usually surprised at the latter accomplishment, because Fred is the antithesis of the glad-handing marketing type. He's the last one to show up at a party and the first to leave. But he knew how to put a deal together, he knew how to take care of his customers, he was conscientious, and he was likeable.

When the original partners got together to start making small investments, Fred was part of the team. Although he'd had some exposure to timeshare lending at Liberty, he was the manager of the Commercial and Industrial Loan Department (and Senior Vice President) and had never really worked in the timeshare industry.

At Colebrook, Fred used the same skills he displayed at Liberty to play a key role in the growth of the company. He brought in new loan business and worked with some of his customers for years, gaining their trust in the same way he'd worked with customers during his banking career. Timeshare hypothecation lending is heavily reliant on consumer lending skills and having Fred on board gave Colebrook an advantage over its competitors, most of whom were commercial lenders.

Fred told us in 2017 that he wanted to retire at the end of 2020. He didn't anticipate that his final year would be one of the most unusual in the history of American business, with the entire economy disrupted by the worldwide pandemic. But we survived and on December 31, 2020, Fred retired and moved to Marco Island, Florida with his wife Carole. He does some consulting work for Colebrook, but has plenty of time to visit his son Rob, a software development engineer in Charleston, South Carolina and son Willie, his wife Shanna, and grandson Walker in Durham, North Carolina, where Willie is a cardiovascular perfusionist at Duke University Hospital.

Jim Bishop
Retired Principal

Jim Bishop and Bill Ryczek met in 1979 when both worked for Barclays American Business Credit, one of two major lenders to the timeshare industry at that time. Bill was a field auditor and Jim was learning the trade, as they tried to figure out how to audit timeshare developers, some of whom literally had their financial records in shoe boxes. There were lots of missing documents and the financial statements frequently didn't add up, but there were enjoyable times, like riding through Beverly Hills smoking cigars to celebrate the end of a particularly arduous audit and taking some adventurous trips through mountain snowstorms.

Jim worked his way up through the ranks to become a loan officer and in 1990 he was one of three employees of Textron Financial, which was just starting a timeshare finance business. By that time, Bill was at Liberty and needed someone with timeshare experience. On Columbus Day 1990, the two sat in Jim's backyard for a couple of hours and Bill convinced Jim to come to Liberty. He was replaced at Textron by Jim Casey. By 2002, Jim Bishop was a Senior Vice President at Liberty and manager of the timeshare department.

When Colebrook began operating as a part time venture, we had to decide who would fill what roles. Linda's role was easy. She was a silent partner and financial backer. Fred was good at administration and consumer loan analysis. Bill had a lot of connections in the timeshare industry and seemed a natural fit for the marketing role. Jim, who has a degree in accounting from the University of Connecticut, has a great love for and attention to detail, and therefore was the logical choice to handle the accounting function. When Colebrook became a full-time venture in 2003, Jim became its Chief Financial Officer.

Jim and his wife Jayne have always liked to travel, and as the years went by and Colebrook became successful, they began planning for the day when they could expand their itinerary. Jim began to cut back his hours and fully retired in March 2020, just as the pandemic began. That put a major roadblock in the way of the Bishops' travel plans, but they are now free to see the world.

20th Anniversary

2003-2023