

Looking For Financing? Call Calpian — The ISO's One Stop Financial Supermarket



“We do every kind of financing for ISOs there is — startup venture capital, loans, buyouts and everything in between. When it comes to financing ISO's, nobody is more creative or has more money available than

Calpian. If you have a specific financial need, a business plan or just a dream of being a success as an ISO, call Calpian and get your deal done now,” said Harold Montgomery, Calpian's CEO. And with 105 deals completed, Calpian has certainly financed more ISO's than anyone else in the market. It's clear that Calpian is THE resource for ISO finance today.

“I am really proud of our track record helping ISO's access cash to grow, but I am more excited about what we are doing now that is really going to get our ISO partners growing fast — our comprehensive financing solutions that virtually guarantee ISOs will accelerate their growth and walk away with millions in their pockets. We provide a financing package that begins with venture capital financing to get an ISO started from scratch, and then as the business grows, Calpian stokes that growth with loans and other resources. Then when the ISO is ready to cash out — we can do that by converting his residuals to cash. It's a great start to finish package that takes a major worry off the ISO's shoulders and let's them sell, sell, sell. We don't get involved in the ISO's business with board seats or whatever, we give them money, leave them alone and let them sell.”

“We can handle the financial needs of any ISO from the single person selling out of the house to the largest ISOs in the country. Whatever the financial need, Calpian has a way of answering it.”

Montgomery and Calpian chief investment officer, Craig Jessen started out selling check guarantee services to merchants and other ISOs. Jessen recalls those early shoe leather days: “I walked door to door, talking with small retail merchants selling Verifone Zon Jr. Excel terminals in the early 90's, that's how far back I go in this business — Harold was doing that for 4 years before me. We've been out there on the street and know what that is like.”

Nowadays, Jessen sits at his desk on the 28th floor of a sleek office building in downtown Dallas. He's constantly on the phone with ISOs all around the country cutting financing deals specifically tailored to meet their needs. “Because we have been in the industry for almost 20 years, we understand the business better than any non-industry financial player ever could. We have seen every problem confronting ISOs today and we know what it takes to be successful in this market.”

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Montgomery continued, “We really respond to the kind of business confidence that is about building things — building a business for the future and being part of a great enterprise. That’s what our ISO partners are about and that’s what we’re about. We are a constructive part of their growth and development. That’s our own history here at Calpian and it’s the core of what we are doing with our ISO partners. We get a huge charge out of being part of their growth.”

How did two MBA’s get into the ISO finance business? “The combination of skills we bring to the table is really perfect for what we are doing now. Our backgrounds as industry players and MBA’s is a perfect fit for the business today. It’s a unique combination of resources that has made all the difference for us and our partners. We translate between Wall Street and the ISO world. There are things we can do that no one else in the market can do,” Montgomery explained.

Montgomery feels strongly about this industry and its people. “Look, I am passionate about what we are doing. I get tired of ISOs being dissed by everyone who isn’t an ISO. I think it is totally unfair,” Montgomery is pacing around the room driving his point home. “The ISOs I know are hard-working, honest people building businesses and families — they are working hard and playing by the rules. They do amazing things everyday — things that this industry really needs. Our job at Calpian is to support those ISOs and accelerate their growth and success.”

Montgomery walks to the whiteboard. He grabs a marker and starts drawing pictures. “ISOs struggle against incredible odds. They have to find a good processor and get a decent contract, they have to sell hard every day, they have to hire people, fire people, open offices and on top of all that, they have to look for financing. It’s a really tough job. Calpian can take the guesswork out of it by providing reliable intelligent financing that can grow with the ISO’s business.”

Now, Montgomery starts drawing arrows between the various circles and squares on the whiteboard labeled “ISO” and “Processor” and “Merchant” to illustrate the changing market dynamics of today’s ISO. “The ISO business has changed in two basic ways. First, this business is tougher than it was. You can’t make it on POS terminal profits anymore. There has to be an alternative form of financing the sales operation these days and Calpian gets that. That’s what we do, help ISOs through that financial valley of death. Second, most ISOs are, and should be, building “non-risk” merchant bases with major processors. That means the processor takes the risk of merchant fraud, failure default, chargebacks, etc.,

and the ISO concentrates on selling. That’s the right thing to do because it allows the ISO to focus on their strength — selling ability. But it comes at a price — the merchants are non-portable. So when it comes to discussing long term cash-out goals, the question comes up ‘How do I turn my merchant base into cash?’ Well, Calpian solves that problem by working with each major processor to provide that cash to the ISO at the right time. We can convert the residual stream to cash whenever the ISO is ready. The processors know we do not move merchants off of their existing platforms, so the whole arrangement works out great for everyone. We’ve been doing it for almost six years now.”

Now, Montgomery changes tone. He leans over the table. “Let me tell you something about me. I just turned 47 years old. I have two young kids and a wife, a mortgage and car payments like everybody else. One day, my 8 year old son asked me what happens if I were to die. That one hit me hard. I had to really ask myself some tough questions. Who’s going to provide for them? Where’s the money going to come from? These are tough, real-life questions, but we all have to think about them. I am not getting younger and I am thinking hard about how ISOs are going to get their money out of their businesses when they need it. Calpian can be an insurance policy for them. That’s what Calpian is all about — being a resource for ISOs. We can provide that cash-out when it’s needed whether it’s for business or personal reasons. We function like life insurance for ISOs.”

Calpian is not like any other business in the industry. A team that understands the ISO world with all its challenges and opportunities, combined with the financial power of Wall Street is an unstoppable combination. In less than six years, Calpian has become the leading financier in the industry. Where will it be in another six? Well, let’s just say that you can expect big things coming out of Texas. ■

