



College of Business



Arkansas Small Business Development Center

Arkansas State University
College of Business
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Client Success Story

Arkansas Small Business Development Center Arkansas State University

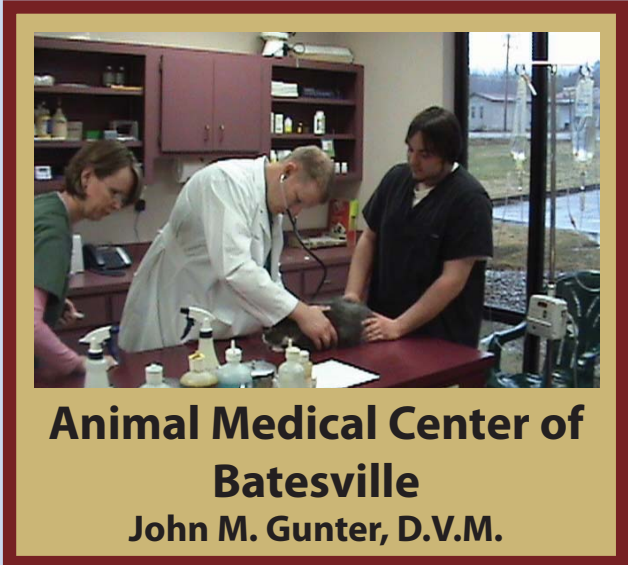
John Matthew Gunter, D.V.M., has always loved animals. Upon graduating, he began working for Dr. Ken Smith, D.V.M., at Smith Animal Hospital, in Batesville.

In late 2004, Dr. Smith indicated an interest in selling his practice and offered the business to Dr. Gunter. Dr. Gunter realized the potential of the business and approached a

commercial loan officer at First Community Bank of Batesville. The loan officer immediately recommended that he contact the Arkansas State University Small Business Development Center for assistance in analyzing the asking price of the business; review of the buy-out price to compare to cash flow potential; and, if feasible, to help in preparing a loan package. Because of the goodwill involved in the sale, the bank also indicated that it would require assistance from the ASU SBDC to prepare a U.S. Small Business Administration 7(a) Guaranty or 504 loan request.

Dr. Gunter met with Herb Lawrence, ASU SBDC Center Director, and the two began work to determine the feasibility of the plan. Between March and August of 2005, the SBDC worked closely with Dr. Gunter and the seller. During this time Lawrence suggested that, due to the fact that real estate would be a significant part of the overall loan, a SBA 504 and SBA guaranty might be the most advantageous for Dr. Gunter. With approval from the bank, the regional loan officer for Arkansas Capital Corporation was involved in the process.

In September 2005, Dr. Gunter was informed of SBA approval of both the 504 loan for fixed assets and the 7(a) loan to fund the goodwill and working capital. The loans closed in late September 2005, and by October, the transfer of ownership to Dr. Gunter was completed. Upon opening the doors as Animal Medical Center of Batesville, Dr. Gunter stated, "Many thanks to Herb Lawrence and the ASU SBDC for their support and assistance in making our acquisition possible. It would not have happened without them".



**Animal Medical Center of
Batesville**
John M. Gunter, D.V.M.