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## Marquette Financial sharpens focus on specialty lending

*Since selling most of its banking operations to Wells Fargo & Co. two years ago, Marquette has focused on delivering specialized financing products to a business market that some feel has been neglected as a result of bank consolidations.*

By Mark Anderson/F&C Finance Writer  
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Minneapolis-based Marquette Financial Cos. is continuing its slow but steady expansion back into the financial services market for small- to mid-sized businesses, announcing Wednesday that it plans to launch a new specialty lender in Dallas.

Marquette Business Credit Inc. will provide asset-based, or collateralized, loans to companies with annual revenues ranging from \$4 million to \$75 million and up, said Bert Colianni, chief operating officer at Marquette Financial.

That market terrain is similar to the niche that Marquette's stable of banking and business finance companies served in the Midwest and Texas before most of its banking operations were sold to Wells Fargo & Co. in 2002.

Since then, Marquette has been reconstituting a franchise focused on delivering specialized financing products to a business market that Colianni said has been neglected in the wake of the financial industry's consolidation.

"We're targeting companies that are at a size where we can work with the owners," Colianni said. "These are sophisticated people running small and mid-sized companies, and we're able to provide on-site, personalized services that not many of the consolidated larger lenders will offer."

Asset-based financing is a credit tool that businesses have utilized for many years, obtaining loans when they couldn't qualify for traditional bank lending because they were in an early stage of development or some other circumstance that created financial uncertainty.

But asset-based lending has grown rapidly in the last decade, in part because stable businesses are using it more frequently in place of conventional bank loans, preferring the flexibility and less encumbered borrowing the credits provide.

Colianni said that Texas and the Southwest will provide a lucrative market for Marquette Business Credit Inc. "That's an extremely dynamic state and region for new business growth," he said.

But growth won't come just from expansions in the region and the industry, he said.

"We were able to hire some very high-quality people who are very well-known in Dallas. We intend to take market share away from some of the other lenders," he said.

James E. Casper, who headed the Dallas office of Guaranty Business Credit Inc., a national asset-based lender, will lead the new Marquette business. He will bring with him two members of his Guaranty team, Michael D. Haddad and Jim S. Johnson.

Casper said Marquette will eventually add offices in Georgia, Florida and California, and it intends to lend across the country.

Marquette already operates an asset-based lending company, Itasca Business Credit Inc., in the Midwest. That company's recent record may give some indication of the strength of the market and Marquette's skills in asset-based lending.

"Itasca has grown dramatically in the years since we acquired it (in 1999)," Colianni said, noting that it added more than 20 percent to its loan portfolio during 2003 and reached \$50 million in outstanding credits this spring.

Marquette's other recent expansion was the acquisition of another specialty finance company in Dallas, KBK Financial, now called Marquette Commercial Finance. That company provides financing to businesses by buying some of their receivables at a discounted price, delivering timely cash infusions in return.

The transaction is called factoring, and combined with Marquette Business Credit's services, "it gives us the ability to provide financing options that are best suited to our customers' specific circumstances," Colianni said.

Marquette also operates a banking company in Phoenix called Meridian Bank. Colianni said Marquette Business Credit will be able to fund much of its lending through deposits gathered by Meridian.

The Dallas startup brings to seven the number of companies operating as part of Marquette Financial, including NorthMarq Capital, one of the nation's top commercial mortgage bankers; Builders Mortgage Co., a residential construction lender; Marquette Funding, another factoring company that serves the trucking industry; and Marquette Capital Partners, a private equity firm.