



## The Restaurant Story ("Permanent Capital")



As you're enjoying dinner with Paul, Lauren, and John, the idea of opening a new casual restaurant emerges. After getting excited about the idea, *they* decide to go ahead with it, but *you* just aren't ready, and therefore bow out of the opportunity.

After three years, the restaurant is thriving, and your friends invite you in as an investor.

You've saved \$25,000 to buy a car, but now decide to hold off on that purchase and instead invest in their restaurant.

Two years later, your car breaks down and you need the money to buy another one. You ask for your \$25,000 back and also the \$10,000 profit it earned.

Paul emphatically states, "Don't take the money out...you can see that it's growing. Our business will provide you a loan for the car. We know you're good for it...your money is working in this restaurant."

Paul continues, "You have created 'Permanent Capital' in our restaurant, and now you're using it as collateral for your loan."

"And yes, the business will charge you some interest, but nothing like a bank rate. Most importantly, your original \$25,000 and its profit are still growing! How's that sound?"

"Sounds too good to be true!" you exclaim.

Paul responds, "Yeah, but this is real. It's a way for all of us to think differently about money and use it to our advantage. It's a sophisticated approach. Just pay us back when you can, at your convenience."

"And to remind you, your money continues to grow for the next time you need it, and the next time, and the next."

"Sounds like a no-brainer to me," you say. Then, you go out and buy your new car using the "collateralized" restaurant loan.

*What's the point of this story?*

- *Put your money to work before you use it!*
- *Permanent Capital provides Collateral, which gives you access to more money.*
- *Leverage that pool of money for any purpose...college, retirement, new roof, etc.*