



## **Carfinco Expands Into U.S. Market With Acquisition Of Persian Acceptance Corp.**

Wednesday, September 04, 2013

TSX: CFN

EDMONTON, Sept. 4, 2013 /CNW/ - Carfinco Financial Group Inc. ("Carfinco" or the "Corporation") today announced the acquisition of the issued and outstanding shares of Massachusetts based, Persian Acceptance Corp. ("PAC"), an indirect lender in the sub-prime retail automotive industry, from Peter and Jennifer Miller ("Vendors"). The acquisition was closed on September 4, 2013.

PAC, which is headquartered in Wakefield, Massachusetts, was established in 1998 and is licensed and generates receivables in Massachusetts, New Hampshire, Maine, Connecticut and Vermont. It currently has an active base of 362 automobile dealers who source vehicle sales finance contracts for PAC. PAC currently has \$42.7 million (USD) in finance receivables.

PAC has managed to capture its market share because of its loyal customer base of dealers, the company's ability to be receptive to changes in the marketplace in a quick and progressive manner, and its strategy of maintaining its small business philosophy despite its dynamic growth. PAC's plans are to continue to grow its portfolio in the U.S. Northeast.

Terms of the deal were based on a combination of PAC's book value and historical earnings. Total consideration was \$9.5 million (USD) comprised of \$9 million cash and \$500,000 in common shares of the Corporation (55,223 common shares of Carfinco, priced at \$9.45 (CDN) per share after exchange rate adjustments). The Vendors may earn up to \$2 million (USD) in additional consideration contingent upon PAC reaching performance targets over the next two years. PAC will operate as a subsidiary of the Corporation and will benefit from the Corporation's experience in sub-prime automobile lending and access to capital.

"We view this as an excellent opportunity for Carfinco, as Peter and Jennifer have built a very successful company that meets the criteria we were looking for in terms of an expansion into the US market." stated Mr. Tracy Graf, CEO of Carfinco. "We believe the acquisition adds value to our shareholders. Importantly, PAC's growth strategy mirrors Carfinco's, by increasing loan originations and earnings in a controlled and structured manner."

Key members of PAC management will remain in place under the continuing leadership of Founder and President, Peter Miller.

"Jennifer and I are thrilled to be joining forces with Tracy and Troy Graf and the entire Carfinco organization. Combining the individual strengths and synergies of both companies will provide a unique opportunity for PAC to become a major player in the U.S. sub-prime auto finance market," stated Mr. Peter Miller, President and CEO of PAC.

About Carfinco Financial Group Inc.

Carfinco focuses on providing consumer vehicle loans to borrowers unable to obtain financing through traditional lending sources. A network of select independent and franchise dealerships offer Carfinco's payment plan to their customers who must, along with the vehicle, meet Carfinco's underwriting guidelines. The shares of the company trade on The Toronto Stock Exchange under the symbol "CFN".

Caution Regarding Forward-Looking Statements - This news release contains certain forward-looking statements, including statements regarding the business and anticipated financial performance of the company. These statements are subject to a number of risks and uncertainties. Actual results may differ materially from results contemplated by the forward-looking statements. When relying on forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and should not place undue reliance on such forward-looking statements.

**For further information contact:**

**Carfinco Financial group**

Tracy Graf , CEO & Director  
Carfinco Income Fund  
Toll Free: 1-888-486-4356  
[tgraf@carfinco.com](mailto:tgraf@carfinco.com)  
[www.carfinco.com](http://www.carfinco.com)

**The Howard Group Inc.**

Jeff Walker  
The Howard Group Inc.  
Toll Free: 1-888-221-0915  
Phone:(403) 221-0915  
Fax: (403) 237-8387  
[Info@howardgroupinc.com](mailto:Info@howardgroupinc.com)  
[www.howardgroupinc.com](http://www.howardgroupinc.com)