



Executive of the Month: Jonathan Daniel, CEO of Silo Financial, leads private lending institution with sharp insight and old-school values

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Jonathan Daniel, the founder and CEO of Silo Financial Corp., a boutique private equity real estate finance company, is the most thoughtful kind of investor.

His company provides bridge loans and other structured debt products to service small and mid-market opportunities typically under served by larger financial institutions and funds. With loans tailored specifically for each borrower, Silo Financial Corp. lends immediate, short-term capital, up to \$10 million, to real estate owners, investors and small businesses that can offer their real estate as collateral. In return, private investors, institutions and family offices benefit from the company's short-term loan investment opportunities that provide high yields and security.

Over the past two years, Silo Financial Corp. has provided financing to a broad spectrum of real estate ventures and new construction projects, including retail, mixed-use, multifamily, medical, condominium and single-family investments, totaling more than \$100 million in transactions.

Since inception in 2001, Daniel's firm has closed over 125 transactions in 10 states, including New York, New Jersey and Connecticut, totaling more than \$200 million, and has realized an 11.4% average annualized return on investment per loan, while incurring less than a one-cent loss on each \$1 of principal invested.

Although the success of Silo Financial Corp. is attributed to Daniel's acumen and sharp financial insight, his unique background is also an essential part of the equation.

Daniel wasn't raised on Wall Street nor did he begin his working life in the world of complex financial instruments. Rather, he worked on his family's dairy farm in Flemington, New Jersey, where he bailed hay, milked cows, called cattle auctions, and participated in the everyday upkeep and economics of running the family business.

Born into the exciting world of agricultural business, Daniel's father, Fred, and his two uncles were very successful cattle dealers, and, at one point, ran the largest farm dispersal auction company in New Jersey.

"Farming is a very, very tough business," Daniel said. "My father spent his life on the farm; he never went to college but has always been well-regarded in the local community as an astute businessman by all that know him. He always saved and invested in prudent low risk propositions. I even remember him loaning money to local farmers so they could buy livestock or hold mortgages on their land when they were short of working capital."

Daniel absorbed everything his father taught him during the day-to-day farm activities and afterhours, when conversation would transition from cattle farming to investing.

"Many New Jersey farmers became successful due to land value appreciation, which is why real estate investing, saving money and security were always topics of discussion in our house," he said,

explaining how he acquired a fascination with investments, specifically real estate investing, at such a young age.

When he was just 18 years old, Daniel became a New Jersey licensed real estate salesperson and made his first commission when referring his friend's parents to a local broker. In 1994, Daniel earned his B.S. in finance from Syracuse University and became the first member of his family to graduate college. He then began his career as an analyst at Newmark & Company Real Estate, Inc., now known as Newmark Knight Frank, one of the largest independent, full-service real estate firms in the country, and went on to lead commercial loan originations for New York-based direct mortgage lender Mercury Capital.

Although Daniel enjoyed his work, the small town farmer-turned financier was drawn to a more old-fashioned style of lending. Historically, real estate owners would make private loans to one another when a bank could not provide financing. They would make an agreement predicated on the promise of repayment plus interest, and in the event of foreclosure, the lender would receive the asset instead. Much like the loans his father made to local farmers, this type of transaction is secure and personal; it appealed to Daniel.

"I really enjoyed private real estate lending, and wanted to create an attractive investment vehicle for high net worth investors and institutions," he said. "For me, the key to practical investing is partnership."

Having honed in on his passion, Daniel left Mercury Capital after five years to start his own business. In 2001, Daniel launched Silo Financial Corp., a fittingly named lending institution built on the lessons his father taught him about working hard and making smart, insightful decisions based on security and downside protection. His father and uncles were the first investors.

"When I first started the company, I went to a farm auction my father was conducting and presented information about Silo Financial Corp.," he said. "That's how I partnered with two more of my original investors; they were all farmers from my home county that sold their land in the 1980s and were looking for secure, high-yielding investments."

As an alternative to traditional bank lending, Silo Financial Corp. can offer private loans designed for individual situations, including discounted noted buybacks, note acquisition financings, rehab, construction, transitional properties, second mortgages/mezzanine loans, partner buyouts, and transactions requiring closing in as little as five days. Silo Financial has an outstanding track record for sourcing, closing and capitalizing on these private lending opportunities, all of which Mr. Daniel and his father have directly invested in.

Of the company's 125 transactions, recent noteworthy projects include a \$6.2 million loan for the construction of a sprawling 10,000 s/f single-family home in Sagaponack, that comprises seven bedrooms, 12-bathrooms, a private theater with stadium seating, a professional grade kitchen and outdoor living spaces all on 1.5 Long Island acres on Daniels Ln.

"We treat every transaction as a partnership with our investors and underwrite according to our comfort zone," Daniel said. "It's a return to old-fashioned lending except, now, it doesn't take the guy that owns the building next door to make the loan."

For more information about Silo Financial Corp., visit www.silo-financial.com.