

Business Finance Group (BFG) successfully arranged \$1,445,100 in SBA financing to support servicing a major contract with a well know national orange juice manufacturer, to refinance debt including rolling stock and to reduce past due accounts payable. The client operates a warehousing, logistics, and trucking company that manages over 1 million square feet of warehouse space in Walnut, CA. To successfully fund, we had to address the following:

Company Reported \$612,000 Loss in 2007

We worked closely with the client and their accountant to develop a detailed list of \$560,700 verifiable non-recurring expenses mostly due to the following occurrences:

- Relocated all administrative offices into one location by implementing a perpetual warehouse management system for all six warehouses.
- Acquired a trucking and warehouse competitor and consolidated operations, which required the company to relocate all operations to its current location.
- Most bank business development officers would have passed on the transaction because of the reported losses. Point of fact, our client was referred to us by another bank.
- We also worked closely with the client to develop reasonable projections primarily based on the new contract, which would increase total revenues by \$5 million, thereby substantially reversing the loss to a profit.

Structured Financing Solution

Structured the following financing solution to overcome initial lender concerns given the current credit crunch lending environment:

- Successfully negotiated with our client, the bank, the client's factoring company, and the client's customer to have payments received from the contract assigned and directed to bank. This was accomplished with an Inter-Creditor Agreement to allow all new payments received under the contract to be directed to the bank, with the eventual pay down of the contract factored receivables. The redirected payments solution allowed our client to get the financing needed and provided the bank with monthly deposits in excess of \$2 million. Moreover, the customer was pleased our client will be able to perform due to the financing we arranged.

Our activity not only reflects our ability to produce, but also our benefiting from the current inability or unwillingness of many lenders to provide loans. Many major SBA lenders have pulled out of the market or reduced their SBA lending activity because their cost structure and business model is based upon secondary market loan sales of the guaranteed loan participation. With our core group of community bank lenders, so far, we have continued to successfully arrange SBA financing.

To ensure the success of obtaining suitable business financing or business insurance for our clients, we thoroughly analyze and evaluate every transaction engagement.

We look forward to working with you and your clients, who you feel require business financing and/or business insurance to allow their businesses to successfully expand their business horizons.