

Business Finance Group (BFG) successfully arranged \$395,400 in SBA financing to purchase equipment and upgrades to meet mandatory air quality standards for two gas stations operated by our client. Additionally, we provided for inventory/working capital. To successfully fund, we had to address the following:

SBA eligibility requirements for Gas Station Financing:

We worked with SBA legal counsel to meet SBA strict eligibility requirements for gas stations, which included our determining there was no affiliate relationship with our client and the oil company and that if our client cancelled its contract with the oil company the “breakup fee” or liquidating damage cost was not unreasonable.

The oil company secured all business assets:

The business did not own the real estate, so the only assets available for collateral were the business assets. After we determined the oil company was primarily concerned with securing the inventory and was ok with a junior position on the other business assets, we prepared an inter-creditor and subordination agreement, which allowed the lender to have a junior position on the inventory and a senior position on all other business assets.

Inventory/Working Capital Financing:

The stations were not fully operational during the construction upgrades, so made provisions for inventory and working capital to support operations.

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.