

Business Finance Group (BFG) successfully arranged \$1,400,000 in SBA financing to refinance several equipment leases secured by rolling stock (trucks & trailers) and to provide working capital for sand & gravel hauler in Los Angeles County. To successfully fund, we had to address the following:

**Cash flow from business does not demonstrate historical debt repayment**

The leases were short term (3-5 years), which adversely impacted cash flow and working capital. By refinancing/paying off the leases with 10 year financing, we substantially reduced the company's monthly debt burden by 70.55%. This considerably improved cash flow and working capital. The company also had \$331.8M in payables beyond 30 day terms. Paying off these payables improved the company's working capital position allowing the company to obtain discounts for early payments (i.e. 10 day terms).

**Deficit retained earnings effected company's leveraging**

We demonstrated that the deficit retained earnings resulted from prior year losses that were slowly being reduced over time. We also emphasized that the company expected the financing will improve its overall profitability going forward, which should translate into positive retained earnings and reduced leveraging.

**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.**