

THE FULL SPECTRUM

A PUBLICATION OF SPECTRUM COMMERCIAL SERVICES
MINNEAPOLIS, MN · DENVER, CO · DETROIT, MI
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Growth at SPECTRUM

As the economy improves slowly, so has the number of businesses needing SPECTRUM's unique financing. We continue to work at being an excellent source for banks and others that come across situations requiring an alternative lender. Our main programs are:

- Asset-Based Credit Lines on accounts receivable, inventory, equipment and real estate for Lines ranging from \$500,000 - \$4,000,000
- Accounts Receivable Financing ranging from \$50,000 - \$4,000,000
- Bank Participation Programs

Recent SPECTRUM Solutions

SPECTRUM's offices in Denver, Detroit and Minneapolis are finishing the year with a number of new deals. Two examples include:

A *manufacturer* with a competing asset based lender found that there was "fatigue" in the relationship. SPECTRUM took a fresh look at the deal and found a relatively new management team with a very strong plan for the company. We restructured the deal to give the company the working capital they needed via an Equipment Loan and Line of Credit.

An *industrial tank cleaning company* had equipment loans and a LOC with a local bank. Growth was ramping up and the bank no longer felt comfortable with the line. SPECTRUM developed an accounts receivable accommodation with additional monitoring and controls and we have begun to assist the company with their growth.

SPECTRUM

- *Serving the financing needs of local businesses since 1995.*
- *Creative financing solutions for companies and the professionals that serve them.*

Examine Your Portfolio

Year end is a great time to evaluate your portfolio and to improve the quality of your credits. With an expanding economy along with customer demands for more credit, you may find a renewed focus on credit quality. When you do consider higher credit risk, SPECTRUM encourages diligence regarding these common "Red Flags" in lending.

- Slow reporting
- Higher receivable and inventory turns
- Negative trending ratios
- Spotty P & L performance
- Loans not being paid down
- Requests for more funds
- Overdrafts
- Covenants breached

Should any of the above symptoms appear, we recommend that you aggressively assess those borrowing base certificates; watch the ineligible close and think about your options:

- Demand additional collateral
- Reduce the loan cap
- Increase the rates
- Reduce the advance rates
- Consider short term forbearances
- Use SPECTRUM as a resource

SPECTRUM as a Resource

SPECTRUM can be an excellent resource for those difficult credits or for those unbankable prospects. Use us as a resource to review those credits in need of alternative solutions. If you're not sure if an asset lending alternative is appropriate, we can discuss the situation and brainstorm various options. Through our services, exit strategies become less painful and for those customers requiring a short term solution our bank participation programs help maintain customer

loyalty. Some benefits of working with SPECTRUM are:

- **Strengthened Portfolios**
- **Increased customer retention**
- **Risk Free Revenue Streams**
- **Cross Selling opportunities**

And don't forget to call us and ask about our "Guaranteed Participation" plan.

This is an exciting program allowing a bank to maintain its relationship with a marginally performing company or to capture a credit with long term potential but needing interim non-bank financing.

The SPECTRUM Guaranteed Participation is a virtually risk-free opportunity for Banks to participate up to 15% of a credit facility on non-traditional credits. This program allows Banks a first out collateral position on all of the borrower's assets AND SPECTRUM's absolute guarantee to buy back the Bank's participation at any time. The Bank retains its relationship with a struggling credit or develops a relationship with a future prospect. Benefits include:

- **Added revenue stream**
- **Virtual credit risk elimination**
- **SPECTRUM does the work**
- **Maintain on-going relationship**
- **Provide for cross sell opportunities**

We've had great success with this program and hope you'll consider these advantages the next time you encounter a troubled credit or a prospect that isn't a fit for traditional bank financing.

Give us a call and allow SPECTRUM to be a part of your portfolio solution!

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