

# ***SPECTRUM COMMERCIAL SERVICES***

## ***Most Recent Partnership***

<p style="text-align: center;"><b>INDUSTRIAL SUPPLIES DISTRIBUTOR</b></p> <p style="text-align: center;"><b>WORKING CAPITAL FINANCING</b></p> <p style="text-align: center;">Revolving Line of Credit</p> <p style="text-align: center;">Accounts Receivable Inventory</p> <p style="text-align: center;">\$2,500,000</p>
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### **The Situation**

- Industrial supplies distributor posted losses over several years resulting in increasingly restrictive covenants with their existing lender.
- Despite signs of a turnaround and near-term growth opportunities, the incumbent bank preferred to exit the loan given the borrowers leveraged balance sheet and losses.

### **The Solution**

- A referral was made to SPECTRUM by a different bank that recognized the company's potential and the company's need for a financing partner to support their expected growth.
- SPECTRUM's due diligence validated the quality of the collateral and the company's growth prospects. We then provided a \$2,500,000 Line of Credit based on accounts receivable and inventory.
- The referring bank chose to participate in the financing, confident in SPECTRUM's collateral monitoring capabilities.

### **The Benefits**

- The Company was able to immediately pay off the existing bank line of credit, gain additional working capital financing and establish a new bank relationship.
- The Referring Bank:
  1. With appropriate risk controls provided by SPECTRUM, participated on this credit and added profitably and prudently to its portfolio.
  2. Obtained all the operating accounts of the company.
  3. Added the ability to cross sell other products and services.
  4. Has the opportunity to take over the entire financing at any time without a prepayment penalty.
- The Former Bank was very pleased to be able to exit the credit in full.

**Since 1995—SPECTRUM has provided Asset Based and  
Accounts Receivable Financing Solutions to Local Businesses  
Needing from \$200,000 to \$6,000,000**

***Please call for more information about how SPECTRUM may be able to  
offer a solution for challenging credits you encounter.***

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