

SPECTRUM COMMERCIAL SERVICES

PRECISION MACHINING COMPANY
(AUTOMOTIVE AND HEAVY EQUIPMENT COMPONENTS)

RESTRUCTURING AND GROWTH FINANCING

\$1,000,000

Receivables and Equipment Financing

The Situation

- The company, spun off from its parent company in 2010 due to sizable losses, was no longer a “bankable” credit. The incumbent bank, however, was impressed with management, believed in the business and was interested in retaining a long-term business relationship.

The Solution

- SPECTRUM provided a \$1,000,000 Credit Facility consisting of a \$650,000 line of credit on receivables and a \$350,000 term loan on equipment to payoff the existing bank debt and provide \$100,000 in new working capital.
- The transition to SPECTRUM was done in the context of a “temporary” move, giving the company time to show sustained profitability in order for the business to eventually graduate back to the referring bank without an early termination fee.

The Benefits

- The Company was able to obtain a patient, stable and affordable source of replacement financing and additional working capital to take advantage of growth opportunities.
- The referring bank reduced its high-risk assets, maintained the deposit relationship and ancillary services as well as the option to take back the credit portion of the relationship at the appropriate time.

**Since 1995—SPECTRUM has provided Asset Based Loans (based on A/R;
Inventory, Equipment and Real Estate) and
Accounts Receivable Financing Solutions to Local Businesses
Needing from \$200,000 to \$6,000,000**

*Please contact us for more information about how SPECTRUM may be able to
provide financing solutions for challenging credits you encounter.*

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