<u>CASE STUDY</u> MAKE IT IN AMERICA!

Built from personal investment and bank, state, and local funding a company making hand sewn apparel here in New England began its climb to compete with foreign competition. Well can you imagine: It took longer than hoped AND when this happens companies, as in this case, can run out of money and resources.

Brought in by their accountant I explained to the owners that our only hope was an “inter creditor agreement” whereby we cooperatively and with respect for the collateral positions of the existing lenders would fund the accounts receivables in a limited basis allowing the company to cash flow and take on more business.

After several of many discussions with the senior lenders we worked out a fluid agreement that put in place the mechanism to recover … and to grow. We would also provide advances for materials based on the level the receivables were at.

For several years all went smooth until the need for a fabric cutting machine arose. Promised an equipment lease for $150,000, when the machine was shipped the lender told the business owner he needed to put up 30% of the purchase price of the unit … “Not happening.” As it was he had to find $25,000 for material for a huge customer order … and the clock was ticking.

From that I got the call from the panicked owner. As I hung up I called my people at the factoring company and explained the situation and their response was: “That company has been 100% up front with us with everything for three years. We’ll do our best.” And they financed the machine … and the material purchase!

That said: What has your factoring company done for you that’s “over and above?” Anyone can sell you money … but not everyone will solve your problems so when you’re ready: Let’s talk get started.

Ernie Brown