

An Ohio manufacturing company needed  
a line of credit to replace their current funding...

**June, 2009**

An Ohio manufacturing company  
received a

**\$750,000**

Accounts receivable and inventory line of credit



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Lines of credit secured by accounts receivable & inventory  
Factoring & Equipment financing

The company produced aftermarket finishing products for industrial use. They have been family owned and operated for over fifty years. The company had seen sales decline for three straight years. Even with annual expense reductions they reported operating losses in each of those years. With non-cash expenses they were operating slightly negative on a cash basis. As a result of the cash losses accounts payable had become stretched. Their bank asked them to find other financing.

The company contacted Great Lakes Business Credit. We confirmed that with the latest cost reductions and their non cash expenses they were cash flow positive. Great Lakes issued a proposal and performed our normal due diligence. That due diligence confirmed the past due balances owed to vendors. We also found that the bank held a small mortgage on a building owned by a related entity and leased to the company.

The company and the bank agreed to transfer a portion of the line of credit debt to the mortgage loan. This meant they would have excess availability at closing. Great Lakes and the company reviewed the excess availability and confirmed that would be sufficient to work with the vendors. We funded the loan.

Having achieved positive cash flow and having this excess availability is allowing the company to continue operations despite still sluggish sales.