

A Michigan transportation equipment dealer needed
accounts receivable financing...

March, 2009

Michigan transportation equipment dealer
received a

\$250,000

Factoring facility



Cleveland, OH
Mark Schroeder
216-221-4221

Detroit, MI
Bill Vowler
248-733-0300

Toronto, ON
Mark Anthony
647-346-7019

Tim Tomasko • Managing Director • 248-733-0300

800.493.8801
www.greatlakesbusinesscredit.com

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

The company sold and serviced transportation equipment. They had a line of credit with a regional bank. The company reported a loss in 2007. With that loss they fell behind on tax payments. The company implemented cost reductions in 2008 that led to a small profit for the year. The profit in 2008 allowed them to pay current taxes but was not enough to pay the past due taxes. With past due taxes and the tightened credit markets their bank asked them to repay the line of credit.

The company called Great Lakes Business Credit. Great Lakes met with the owners and reviewed their financial position. We confirmed that the cost reductions were sustainable and the company continued to make money. Great Lakes confirmed the amount we could provide based on existing accounts receivable. That amount was less than the line of credit balance owed to the bank.

The company approached the bank and described the situation. The bank agreed to take less than the full payoff amount at closing and structured the remaining balance as a term loan secured by the transportation equipment inventory. Great Lakes funded the deal on that basis. With this working capital facility the company continues to make money. As a result they are making their term loan payments to the bank as well as payments to reduce the delinquent tax balance.