

Case Study # 12

Energy: Home Heating Oil

The Situation: This northern New Jersey distributor of home heating oil was in need of additional working capital. The Company had revenue of over \$75 million but was extremely tight on cash flow.

The Problem: Having experienced another warm winter the Company was no longer profitable. Add to this that the Company's already thin margins were under pressure due to the volatile energy market. Although the Company was "asset rich," it was cash poor and was uncertain how to address its slow summer months.

The Alternatives: The Company had learned about credit card advances through a business broker. However, as it explored the market, it realized it would not be a viable candidate. No single advance company could meet its \$1.3 million need. Moreover, as a distributor of a commodity product, its margins were already thin and could not support the heavy cost of this type of financing.

The Solution: A member of this Company's board of directors had heard of Credit Cash. Because we could fund \$1.3 million and had a much lower cost program, we were able to meet the working capital needs to help get the Company through the summer months. Credit Cash entered into an inter creditor agreement with the senior lender who was happy to help its client achieve greater liquidity.

No other credit card advance company could fund \$1.3 million at an affordable rate. Because Credit Cash loans money, and does not "advance capital," it was able to create a program that even fit into a commodity distributor's razor thin margins.



CREDIT CASH

505 Park Avenue, New York NY 10022

www.credit-cash.com

Find out how Credit Cash can help your business. Call 212-688-2600