

## Case Study #14

### Fitness: Health Club

**The Situation:** This New York based health studio had two locations. They also had programs to certify instructors and sponsor exercise related vacations. Their revenue was increasing, but due to their expansion, they had not attained profitability. They had an unexpected opportunity to enter the exercise apparel business that they did not want to miss.

**The Problem:** Although their bank was meeting their needs with their traditional lines of business, when this opportunity arose, the bank was not able to accommodate them. Moreover, the silent partner that had backed the previous ventures was also unwilling to fund this expansion or to guaranty any additional credit facility. In fact, this had created tension between the various stake holders.

**The Alternatives:** The Company could pass on the new venture and have a competitor pursue it. The Company could look for either a new bank or investor. Both of these would take too much time and the opportunity might pass.

**The Solution:** In discussing their situation with a bank, they were introduced to Credit Cash. Because their traditional business was mostly credit card based, we were able to structure a deal that was agreeable to both their bank and their investor. We closed within a week and the apparel line would be introduced on time.

**Although the main investor and bank were not willing to back a new venture, Credit Cash was able to work with them and close on the needed funding within a week.**



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505 Park Avenue, New York NY 10022

[www.credit-cash.com](http://www.credit-cash.com)

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