

Case Study #3

Hospitality: Family Resort Hotel

The Situation: The prospect was a year-round family resort in the Catskills. Its 600 acres included a ranch, ski mountain, private lake, indoor/outdoor pool and other sports facilities. With year-round maintenance and upgrading, their cash flow in the Winter made it difficult to prepare for added expenses in the busy season. Their peak season, during only three Summer months, generated over 60% of their \$7,000,000 sales.

The Problem: The resort was continually purchasing adjacent property to grow their business. They were already highly leveraged with real estate loans. Little snow and mild Winter temperatures reduced their precious low season revenues.

The Alternatives: Unable to increase their bank financing, their only alternatives were to slow down their property acquisition or scale back on maintenance and upgrading.

The Solution: Credit Cash was able to collateralize their future credit card sales for immediate working capital. Even though the resort had extreme seasonality, Credit Cash was able to look at an entire year's revenue to come up with an advantageous advance. The term was carefully calculated to end in the middle of their busy season, leaving them the option to take out another full advance next Fall.

Because the added liquidity was able to help the resort—
their sales have continued to experience growth during
the critical Summer months.



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