



OILFIELD HAULER OVERCOMES BUSINESS TAX LIEN BY REFINANCING EQUIPMENT

An oilfield water hauling company was in a workout situation with their bank and needed to restructure debt to pay off some existing creditors, including the IRS. And they only had 60 days to do it.

Overview

An enterprising CCG salesperson stopped into the company's new location, having seen trucks in their yard. He inquired as to their new equipment needs and discovered that they weren't in the market for new trucks but were in workout status with their bank.

Understanding that cash flow and working capital can be key components to a successful workout, he informed the controller that in addition to being able to assist in refinancing existing equipment loans, CCG along with its sister company, Commercial Funding Inc. (CFI), an accounts receivable finance company, could provide a complete one stop solution to their dilemma.

The company accepted proposals from both CCG/CFI and their current bank and decided to move forward with the bank option. Ten days later, the company contacted CCG again, explaining that the bank wasn't moving quickly enough, and they intended to move forward with the CCG proposal.

Solution

The completed transaction included:

- Refinancing of all existing equipment debt, consolidating the number of creditors to one
- Providing working capital to clear IRS lien
- Establishing an invoice factoring line of over \$1.5 million to improve cash flow

COMPANY BACKGROUND

The parent company has been in business for 27 years, operating mainly as a construction company.

In 2011, they expanded into the shale oil sector, operating water hauling trucks to service this rapidly expanding market.

They quickly grew to 180 employees and were operating as many as 80 trucks.

As the shale oil market began cooling, their expansion and their cash flow slowed.

Within two weeks (and over the Thanksgiving holiday), CCG inspected over 85 assets, verifying titles and VINs, and obtained pay-off letters from more than 15 creditors, including the IRS.

Equipment: Oilfield Hauling Equipment

Industry: Transportation

Location: Midwest & Northeast USA

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