



Case Study: Fidelman & Company's Expertise in Operations, Strategy, and Business Continuity enabled this Specialty Finance company, an asset-backed inventory capital partner, to close on a \$50M credit facility.

BACKGROUND: Specialty Finance Company is a finance firm providing capital to companies owning and dealing in luxury assets. Founded by a third generation diamantaire, the firm offers swift and efficient capital deployment to dealers of luxury assets looking to meet short term liquidity requirements at the business level. By structuring transactions as an asset purchase with a limited buyback option, Specialty Finance Company avoids potentially onerous foreclosure proceedings, while insulating itself from credit risk related to its business partners. Specialty Finance Company currently employs six individuals and conducts operations out of its Miami headquarters and New York office

CHALLENGE: Specialty Finance Company, established by founder capital, had been fully operational for one year when they were approached by an institutional investor that had taken interest in the business.

Until this point, the company was run solely by the founder using an Excel spreadsheet with no processes or policies in place.

Prior to working with Fidelman & Co., Instalend faced the following challenges:

Credibility with investors – Upon beginning due diligence, investors wanted to see that the business was scalable given the size of their potential investment. There was a lack of confidence that the founder could assemble a management team with relevant experience and build the full-scale operation on his own.

Lack of repeatable and auditable processes – It became clear through early due diligence that there was not yet a uniform approach to reviewing, underwriting and funding a transaction, creating an unstable risk portfolio. In order to view risk on a vintage basis, investors required that a set of policies and procedures be in place for underwriting and funding.

No presence for company or founder – When searching for the founder or company online, Specialty Finance Company's had no brand or presence.

SOLUTION: The Fidelman & Company team took on the interim COO role, oversaw recruiting efforts and training, as well as supported the company with finance consultants to make the company institutional.

“We were brought in to determine what an asset should look like from A to Z, i.e. what application fields must be completed, who touches each aspect of the process, what does an underwriting memo look like, etc. - none of these existed prior to our arrival.”



-Jeffrey Fidelman, Fidelman & Company

The F&Co. team completed the following in its first 90 days with Specialty Finance Company:

Finalized due diligence materials – In two weeks, the F&Co. team set up processes to support the closing of Specialty Finance Company’s external financing round. They put policies together and standardized the underwriting and funding process, making each aspect of the business scalable and auditable.

Professionalized the company’s brand - F&Co. built out branding to make the company credible, ranging from crafting a professionally curated investor deck to building out a complete website, marketing materials and online founder profiles.

Set management team up to scale - F&Co. completed key talent profiles and job descriptions for all key personnel.

RESULTS:

Specialty Finance Company realized many benefits as a result of implementing Fidelman & Company solutions:

Secured meaningful financing – The company closed on a \$50 million debt facility that will enable them to grow by 10x. In addition to the funding Specialty Finance Company closed, they secured 4x in over-subscription interest with attractive terms.

Received inbound interest based upon online presence – With new branding, including a newly branded website, the company became legitimized with investors, as well as with current and new customers.

Set up to scale – With a new employee handbook and more tightly negotiated contracts with third party service providers, such as payroll and accounting, security and transfer services for the assets, Specialty Finance Company is now poised to best serve their dealers and repeat.

CONCLUSION:

“Jeffrey and the team at F&Co. Capital took us from start-up to an institutionally backed company. Without his expert help and team's support, we would still be in our diligence phase. They are success-driven with a high level of integrity which was upheld throughout our engagement.” - CEO & Founder