

RIA Case Study

Business CapEx & Debt Consolidation Financing

RIA Client Profile | **2nd Generation Family-Owned Culligan Franchise Business**

Utilizing the **Creative Planning Loan Marketplace**, powered by *Community Capital*, the Creative Planning Lending Team assisted a wealth manager with capital expenditures & debt consolidation for a client.



THE CHALLENGE

Client seeking a loan for capital expenditures and debt consolidation.



THE RESULTS

- ✓ Met with client to discuss the financing need
- ✓ Leveraged Creative Planning Loan Marketplace to identify interest from several lenders for both conventional and SBA financing
- ✓ Client took meetings with three identified lenders, and selected an SBA 7a term sheet from a Missouri based lender
- ✓ Lender worked with the client to secure approval of the SBA 7a loan and closed the debt consolidation loan

A Creative Planning client, the 2nd generation Owner of a Culligan Water franchise, approached their wealth manager to discuss financing for some upcoming business capital expenditures as well as potential options for consolidating existing corporate debt. In the last few years, the business owner had purchased the business from her parents and acquired an additional exiting Culligan franchise in a neighboring territory. As part of the combination of the two businesses the client needed financing for some equipment purchases and a few improvements to existing facilities.

The Creative Planning Wealth Manager called the CP Lending Team to help with the client request. The CP Lending Team and Community Capital scheduled a 30-minute call with the client to better understand the client's needs. During the call it was identified that the client required a loan of roughly a \$550K for the capital expenditures and debt consolidation. Ideally the payback period for the loan would be at least five years, but the client's goal was to payoff the loan as quickly as possible.

The CP Lending Team provided the client with a secure data room to pull together information (list of existing debt to be refinanced, list of capital expenditures to be financed, three years of financial statements for the company, a personal financial statement, and three years of personal tax returns for the company owner) to help start the due diligence process for potential lenders.

The CP|CCT team utilized the Creative Planning Loan Marketplace powered by Community Capital to source lenders for the client's financing opportunity. The Loan Marketplace provides Creative Planning clients the ability to anonymously present their lending opportunity to over 1,200 lenders, primarily banks and credit unions.

Within a week, the client connected with three interested banks through the Loan Marketplace. The client decided to work with with a lender that provided an SBA 7a lending proposal with a 10-year term. The lender, a bank headquartered in Missouri, worked with the client to underwrite the debt, secure SBA approval, and close the loan on the client's required timeline.

For more information about the **Loan Marketplace**, powered by *Community Capital*, please contact:

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