

Industry Research Monitor

SPOTLIGHT TRANSACTION:



\$11.1 million Sale Lease Back

Background

USA Logistics Carriers, LLC (USA)(sub-lessee) sold 488 van trailers to GE Capital Solutions for a purchase price of \$9.1 million and North American Trailer Rental, LLC (closely related affiliate company) sold 105 van trailers for a purchase price of \$2 million to GE Capital Solutions. GE Capital Solutions leased the trailers back to North American Trailer Rental, LLC (NATR) (lessor/affiliate equipment holding company). NATR in return sub-leased the trailers to USA Logistics Carriers, LLC.

USA Logistics Carriers, LLC represents a \$75 million revenue carrier headquartered in McAllen, TX. Mr. Sergio Lagos, Vice President/Managing Member of USA, solicited GE Capital Solutions for a credit facility that would financially help take his company to a greater level of operational success. The sale lease back credit facility improved the balance sheet of USA by moving debt off the balance sheet and created monthly cash flow savings of approximately \$150,000 per month for the operating company.

Investment rationale for GE

The USA Logistics Carriers transaction met many of GE's critical criteria for investing, such as:

- Growing company in Rio Grande Valley with a business model built for success
- Long time client of Capital Solutions with favorable history
- Additional collateral coverage provided by asset based credit facilities

GE Value-Added Differentiators

The following were highlighted as competitive differentiators and the reasons for GE being awarded the transaction:

- Commitment to partner with client.
- Superior GE leasing products, which created a competitive advantage for client.
- GE's ability to expedite the credit and document the transaction under very stringent time constraints.

TRANSPORTATION FINANCING HIGHLIGHTS:

\$100,000,000 Inventory Floorplan Financing Line

Provided for inventory financing:
Medium and Heavy Duty truck dealer

\$85,000,000 Senior Secured Facility

Provided for recapitalization:
Ground transportation provider

\$75,000,000 Senior Secured Revolver

Provided for working capital:
Trucking carrier

\$20,000,000 Inventory Floorplan Financing Line

Provided for inventory financing:
Medium and Heavy Duty truck dealer

\$10,000,000 Team Lease with Penske

Provided for fleet financing:
Manufacturer and distributor of dairy products