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# THE SOURCE

April 2011



**Financing America's Fastest Growing Companies<sup>®</sup>**

## New Client Highlights

Amerisource is pleased to announce it closed and funded **15 new client relationships** in January and February 2011. Below are highlights of two of these new clients:

### Industrial Manufacturer in Ohio

*has completed a*

**\$300,000  
A/R Finance Facility**

*with*



#### REFERRAL SOURCE

- Company's consultant

#### SITUATION

- Company manufactures electronic component parts; in business since 2002
- Two years of losses caused the Company's bank to request that its line of credit be moved
- Company experiencing rapid growth, requiring additional working capital

#### APPROVAL PERIOD

- 2 business days; additional 4 days to fund

#### RESULT

This manufacturer of heater supply parts needed to pay off its bank line of credit due to past losses, but was experiencing new sales growth and needed financing to handle the new business. Amerisource quickly approved a line of credit to refinance the bank and finance business growth. **Now business is "hotter" than ever!**

[Read more of this manufacturer's story...](#)

**Tutoring Company  
in New York**

has completed a

**\$450,000  
A/R Finance Facility**

with



**REFERRAL SOURCE**

- Company's banker

**SITUATION**

- Company provides tutoring services to elementary and secondary students through the "No Child Left Behind" Act; in business since 2004
- As a result of customer concentration with a school district and newly-established business, bank financing was not an option
- Needed quick approval turnaround to cover ongoing expenses

**APPROVAL PERIOD**

- 2 business days; additional 3 days to fund

**RESULT**

Referred to Amerisource by its banker, this Company was in need of financing to cover expenses, quickly! Amerisource approved the finance facility in just two days and funded shortly thereafter, allowing the Company to keep the doors open for children in Upstate New York who rely on the Company for tutoring. **Now business is booming, and the grade is in: A+ for the Amerisource team!**

[Read more of this tutoring company's story...](#)

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## Monthly News Recap & Highlights

### Business and Industry News

04/19 [S&P Cuts U.S. Long-Term Credit Outlook, Stocks Slump](#)

*Bloomberg*

Standard & Poor's Rating Service put a "negative" outlook on the United States' AAA credit rating, and gave a one in three chance of a ratings cut in the next two years due to rising deficits and debt...[Read more](#)

04/11 [Private Equity Fund Raising Rebounds in U.S. and Europe](#)

*Dow Jones LP Source*

So far 2011 has been a vast improvement for fund raising. U.S. private equity funds secured \$31.6 billion for 89 funds during the first quarter, as compared to \$13.5 billion for 81 funds for the same period in 2010...[Read more.](#)

04/11 [YTD Pace of U.S. Bank Failures Slows](#)

*FDIC*

In the week ending April 11 there were 28 bank closures as compared to 42 closures for the same period in 2010. Many are hopeful that 2011 will continue with this downward trend, after last year's high of 157 U.S. bank closures...[Read more.](#)

04/04 [Small Lenders Banked on Fed](#)

*The Wall Street Journal*

The Federal Reserve's discount window available for 14 months in 2008 and 2009 was most frequently used by small banks. The most frequent borrower was FBOP Corp., an Oak Park, Illinois-based bank holding company...[Read more.](#)

### Amerisource Community Outreach

Amerisource and its employees are committed to giving back and enriching the communities in which we live and work. Click to read more about Amerisource's recent causes supported or sponsored, which include:

04/14 [Country Ball and Cook-off benefiting the Ronald McDonald House of Houston](#)

04/06 [Contemporary Arts Museum Houston](#)

04/03 [Citizen's Environmental Coalition](#)

04/02 [Houston Area Women's Center Race Against Violence](#)

## Interesting Data

**40% - 65%**

The percentage by which the stock market is currently overvalued.

Source: [Business Insider](#)

**5x**

The number of times more money the typical Manhattan homebuyer paid (as compared to the average American) for a place to live.

Source: [CNN Money](#)

**53,272**

The number of Ford F-Series trucks sold in the U.S. in the month of March, making it the best-selling automobile in America for the month.

Source: [Business Insider](#)

## Ireland

Named the worst housing market in the world, based on a 10.8% decline in average values compared to last year and a weak outlook going forward.

Source: [Business Insider](#)

## Amazon

The most reputable company in America according to a recent study by the Reputation Institute. The least reputable company on the list?

Freddie Mac.

Source: [Forbes](#)

**+42%**

The amount gas prices are up year-to-date. At this time in 2010 the average cost of a gallon of unleaded was \$2.70. Today it averages \$3.84 a gallon across the U.S.

Source: [Department of Energy](#) and [American Petroleum Institute](#)

**1 billion**

Number of people who will access financial services using a mobile device by 2015.

Source: [Ragan's PR Daily](#)

**\$15,476,000,000.00**

**(that's trillions)**

Our nation's projected total debt by September 30, the end of the fiscal year. Up a staggering 30% from \$11.910 trillion for fiscal year 2009 (just two years ago). The estimated federal budget shortfall (deficit) for fiscal year 2011 alone is \$1.6 trillion.

Source: [Business Insider](#), [The Washington Times](#) and [TreasuryDirect.gov](#)

**\$32,000**

Amount of money paid by Rutgers University to Snooki, the 23-year-old star of MTV's "Jersey Shore" to give a speech to its students.

Source: [Yahoo! News](#)

**Nevada**

The state with the highest startup rate, with 510 startups per 100,000 adults. Success factors include low startup fees and no personal or business income taxes.

Source: [CNN Money](#)

**6.1 trillion**

Number of text messages sent worldwide in 2010. The number is more than triple the number sent in 2007 (1.8 trillion).

Source: [Ragan's PR Daily](#) and [mobiThinking.com](#)

**23%**

The percentage of his or her income the average American spends on food and gas.

Source: [Business Insider](#)

**52%**

Average annual sales growth rate of Google, whose 2010 revenues came in at \$56.5 billion as compared to \$10.6 billion just four years before.

Source: [Business Insider](#)

**\$7,753**

Amount of money taken in an average bank robbery. 58% of perpetrators are caught, making it one of the "highest risk, lowest reward" crimes committed.

Source: [Reuters](#) and [Book of Odds](#)

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## Closing Thoughts

What would we talk about in April other than one of life's few "inevitables?" Taxes. Many of you probably know that the U.S. has the second highest corporate tax rate among developed countries (members of the OECD). Our top statutory corporate tax rate is [39.3%](#). Only Japan has a higher corporate tax rate. And the U.S. is the **only** developed country that taxes the income U.S. corporations earn in foreign markets. Why does it matter? Because capital goes where it is treated best. Is it any wonder so many U.S. corporations have relocated abroad? Advances in technology allow businesses to operate from nearly any location, resulting in increased mobility of businesses and the flight of capital abroad. By moving abroad, many corporations avoid high corporate tax rates and enjoy relatively inexpensive labor, which negatively impacts U.S. employment and GDP.

In addition, a look back on the effects of [tax cuts](#) in the 20th century shows that virtually every time tax rates were lowered significantly, economic growth was spurred and total tax revenues actually increased. The tax cuts of the 1920s, the Kennedy tax cuts, and the Reagan tax cuts all resulted in increased total tax revenues. And the share of the total tax burden borne by the rich increased in all situations, as incentives to hide income were reduced.

Something else to consider is that our federal government's estimated spending level is [25.3%](#) of the GDP this year, the highest level since World War II. And with S&P recently downgrading the U.S. debt outlook to "negative," there is a lot of pressure on the folks in Congress to address our national debt and ongoing annual budget deficits. We desperately need to increase revenues and decrease spending. However you look at it, it's clear that difficult times are not yet behind our country.

One good sign in our economy is that the credit markets have thawed and there appears to be ample liquidity chasing good opportunities. Here at Amerisource, we have consistently remained among the most active lenders in the country over these past two years. If you know a company in need of working capital or growth capital, give us a call!

P.S. Good luck with those taxes!



Patrick Thomas  
*Regional Market Manager*

## About Amerisource

Founded in 1984 and with offices nationwide, Amerisource is one of the largest and fastest-growing independent commercial finance companies in North America. Amerisource provides working capital financing and outsourced management services to small and middle market companies with financing needs from \$50,000 to \$10,000,000.

Core products include asset-based lending revolvers, accounts receivable factoring, seasonal bank "over-lines", outsourced A/R, credit and collections management, debtor-in-possession ("DIP") financing, trade finance for importers, and export factoring.

Amerisource also provides portfolio management and servicing for banks through its private label program America's Back-Office for Lenders™, portfolio acquisitions and liquidations, and rediscount lines of credit.

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