

THE SOURCE

August 2011



Financing America's Fastest Growing Companies™

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NEW CLIENT HIGHLIGHTS

Amerisource is pleased to announce it closed and funded **18 new client relationships May and June 2011**. This brings year-to-date total new funded commitments to just under \$40 million. We've highlighted two of these new clients below.



Staffing Company in New York

has completed a

**\$6,000,000
Asset Based
Revolving Line**

with



REFERRAL SOURCE

- Company's banker

SITUATION

- Staffing company, in business since 2003; part of a publicly-traded staffing/PEO conglomerate
- Bank was near \$50 million aggregate house lending limit for all related companies in the conglomerate
- Company growing quickly and needed additional working capital to sustain continued growth



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**Awards and
Recognition**



2-Time Winner

APPROVAL PERIOD

- 6 business days; additional 2 days to fund

RESULT

Amerisource was brought in by the Company's existing bank to provide additional funding for this entity above the bank's aggregate house lending limit. Amerisource approved a revolving line of credit governed by a borrowing base. The flexibility of the program allowed the Company to continue its growth plans without fear of working capital shortfalls. ***In addition to financing the Company through its busy season, the Amerisource facility frees up capital for the Company to seek additional acquisition candidates***



Retail Display Fixtures Supplier

in Ontario, Canada

has completed a

\$300,000
A/R Finance Facility

with



REFERRAL SOURCE

- Company's consultant

SITUATION

- Supplier of display fixtures for retailers; in business since 2009
- Company experienced rapid growth and needed additional working capital to meet demand
- Strong customer base comprised of big box retailers
- Due to the relatively short time in business, the Company was not able to obtain bank financing, but it had strong receivables

APPROVAL PERIOD

- 4 business days; additional 5 days to fund

RESULT

With this new line of credit in place, the Company has the working capital it needs to fill customer orders and grow its business.

**HOUSTON
CHRONICLE**

Top Private Companies
5-Time Winner



Southwestern Bell

Special Award for Jobs Creation
3-Time Winner



2-Time Winner



3-Time Winner



3-Time Winner



MONTHLY NEWS RECAP & HIGHLIGHTS

Business and Industry News

08/09

[Fraud Lawsuit Rocks Bank of America](#)

The Montreal Gazette

AIG has filed suit against the largest U.S. bank for more than \$10 billion alleging "massive fraud" on mortgage debt. The lawsuit caused BofA's stock to drop more than 20 percent to their lowest price since March 2009...[Read more.](#)

08/09

[Why the Dow's Plunge Hurts Small Businesses More](#)

The Wall Street Journal

Because of the ongoing market turmoil and S&P downgrade, small business owners may be the ones most affected because they don't have as many resources or options to cope with the changing economic dynamics. Limited reserves and inventory restrict smaller businesses from taking losses and offering deep discounts to customers...[Read more.](#)

08/04

[Creditors Critical of Hooters Casino Executive Salaries](#)

Vegas Inc.

The Hooters Casino filed for Chapter 11 bankruptcy protection in order to block a foreclosure by debt holder Canpartners Realty Holding Company IV. Canpartners, a \$20 billion investment house, is critical of the casino management citing extensive management salaries and bonuses...[Read more.](#)

08/04

[The One Airport to Avoid Is...](#)

The Wall Street Journal

Newark, New Jersey is the worst airport in the country with 40 of the 100 most-delayed flights in the U.S. either departing or arriving from the city. The two most frequently delayed flights in the country are both departures from Newark to Atlanta, during rush hour...[Read more.](#)



Newark Liberty International Airport
Source: *The Wall Street Journal*

08/03

[Central Banks Join Rush to Gold](#)

The Wall Street Journal

Central banks and governments worldwide have dramatically increased gold purchases in 2011 to diversify reserves away from the dollar and other currencies. This year governments have almost tripled net gold purchases, increasing their holdings by 203.5 metric tons...[Read more.](#)

08/03

[Amazon Battles States Over Sales Tax](#)

The Wall Street Journal

The world's largest on-line retailer goes to great lengths to avoid charging customers sales tax in most states. Since its inception in 1994, Amazon has not charged sales tax in a majority of states, allowing the on-line retailer to undercut in-state retailers' prices due to sales tax, which can exceed 8%...[Read more.](#)

08/02

[Eight Major Retailers Taking a Major Beating](#)

MSNBC

Several of the largest U.S. retailers consistently performed poorly between 2005 and 2010 for reasons other than the recent recession. From reasons ranging from management decisions to direct competition, J.C. Penney, The Gap, Foot Locker, The Home Depot, Office Depot, Office Max, Dillard's and Sears did not fare well over the past five years...
[Read more.](#)



07/27

[U.S. Economic Activity Moderates; Loan Demand Mixed](#)

Federal Reserve Beige Book

In the latest Beige Book, the Fed has found that consumer spending is increasing as is activity among non-financial service sectors such as transportation. However, residential real estate is still weak, as is the employment market...[Read more.](#)

07/25

[Survey: Nearly Half of Bankers Believe Dodd-Frank Ineffective](#)

Monitor Daily

Forty-eight percent of bankers believe that the financial reform will not be effective in detecting risks to the financial system and preventing the threat of a future bailout. However, most agree that they see some positive impact from the regulations, including emphasis on risk management and executive rewards based on long-term performance...[Read more.](#)

07/18

[Federal Appeals Court Overturns Third Circuit's Ruling in Philadelphia Newspapers Case, Reestablished Rights of Secured Creditor to Credit Bid](#)

The Secured Lender

Last year the Third Circuit Court gave secured lenders' rights a major change when it ruled that a debtor may sell encumbered assets in bankruptcy pursuant to a bankruptcy plan without permitting credit bidding (as long as secured creditors received the equivalent of their liens under the plan). This summer, the Seventh Circuit Court of Appeals overturned the lower court's ruling, and ruled that secured creditors must be permitted to credit bid for the assets...[Read more.](#)

INTERESTING DATA

\$75.876 billion

The amount Apple has in cash reserve, making the company more liquid than the U.S., with a \$73.768 billion total operating balance.

Source: [Financial Post](#)

Air-conditioned clothes

The must-have item this summer in Japan, invented by former Sony engineer Hiroshi Ichigaya. The clothing, known in Japan as Kuchofuku, comes equipped with battery-powered fans to draw in and circulate air.

Source: [SmartMoney.com](#)

76.6%

The percentage of on-time flight arrivals in the U.S. this year, marking the lowest on-time percentage in three years (last year's on-time percentage was 79.8%). Flights in Newark (see 08/04 article above) were on time this year 65.4% of the time.

Source: [The Wall Street Journal](#)

Plano, Texas

The U.S. city whose residents spend the most on fast food per capita. As a whole, the nation spends \$110 billion on fast food annually, and Plano residents spend almost 2.5 times more on quick meals than residents in the average U.S. city.

Source: [Bundle.com](#)

\$8.4 billion

The new valuation of micro-blogging site Twitter after receiving an \$800 million investment from a Russian venture firm. The company is now valued at more than twice what it was just 9 months ago.

Source: [Fox Business](#)

600,000

The number of skin particles the average person sheds per hour. All of this shedding adds up to lost skin cells weighing 1.5 pounds a year, the same weight as an iPad.

Source: [MindBodyGreen.com](#)

55.5 million

The number of students expected to be enrolled in the U.S. schools (K-12) this fall.

Source: [U.S. Census Bureau](#)

\$7.5 billion

The amount venture capital firms invested in 738 projects in Silicon Valley in the first quarter of this year.

Source: [Focus.com](#)

New Jersey and Alaska

The states where residents pay the most and least state and local taxes, respectively.

NJ residents pay 12.2% of their household income in taxes for a total of \$85.9 billion.

Alaskans pay 6.3% of their household income in taxes, more than one percentage point lower than Nevada, the state with the second-lowest tax rate.

Source: [24/7 Wall Street](#)

65.9%

The percentage of people who owned a home in the U.S. during the second quarter of 2011 – the lowest level of home ownership since the first quarter of 1998.

Source: [CNN Money](#)

\$604

The estimated amount parents will spend on apparel, school supplies and electronics to prepare each of their children for the 2011-12 school year, totaling an estimated \$22.8 billion nationwide. Last year's average cost was \$606.

Source: [National Retail Federation](#)

Leonardo DiCaprio

The highest paid actor in Hollywood last year, earning \$77 million; second place went to Johnny Depp with earnings of \$50 million. The previous year DiCaprio ranked 5th, and Depp took first place earning \$75 million.

Source: [KHOU](#)

191% higher

The additional percentage you would spend to purchase the average home in Silicon Valley. At \$774,584, it is nearly 200% more expensive than the average home in the rest of the United States.

Source: [Focus.com](#)

3.2 million

Projected number of high school diplomas to be awarded at the end of the 2011-12 school year, along with an estimated 3.4 million college degrees.

Source: [U.S. Census Bureau](#)

CLOSING THOUGHTS

As the kids in our lives strap on their backpacks and ready themselves for a new school year, many of us are holding our breath to see what happens next in the economy. After S&P downgraded the U.S. debt from AAA to an [AA+](#) rating, Fitch has recently [affirmed the national debt](#) at its AAA rating. While good news, the Fitch announcement has had little effect on the stock markets.

All eyes are now on the European debt crisis and the [talks](#) between French President Sarkozy and German Chancellor Merkel, which will inevitably affect markets worldwide as France struggles to maintain its AAA

rating. Of course, many other things are on our minds as well, from the victims of the recent disaster at the [Indiana State Fair](#) to the thousands affected by the London riots. To date, more than [3,000](#) individuals have been arrested for participating in the rash of U.K. violence that has resulted in [five deaths](#) and an estimated [\\$326 million](#) in damage.

In the U.S., the 2012 presidential campaign is bringing many things to light, from learning about candidates' interesting habits (like [jogging with a loaded .380 Ruger](#)) to intriguing campaign promises, such as lowering the price of [gas to \\$2 per gallon](#). However, Starbucks CEO Howard Schultz is making waves by calling on other business leaders and private citizens to [stop making any campaign donations](#) to Congress or the president until the lawmakers produce a long-term deficit reduction plan. Schultz says his bipartisan action plan has resulted in the support of hundreds of corporations and executives. Will this move Washington to action?

And, while summer is nearing its end, it seems to be lingering too long for many in the Midwest and South. Record [heat waves and drought](#) are affecting parts of the country with no immediate relief in sight. But the heat doesn't seem to affect Jim Thome of the Minnesota Twins who hit his [600th home run](#) this month in the [second-fewest at-bats ever](#), behind only Babe Ruth.

Finally, I would be remiss not to mention the upcoming ten year anniversary of the September 11 attacks. Our thoughts and prayers are with all who lost loved ones on that fateful day. The [9/11 Memorial](#) will soon be open, and specially-minted dollars are being released to honor the victims, heroes and their families.

So, as we say goodbye to the summer months and prepare for the closing of the year ahead, please keep Amerisource in mind. We are steadfast in our commitment to give growing businesses the **Freedom to Grow**™ through access to needed working capital. As a trusted referral partner, know that you can count on us to stay committed to our clients and to you – we appreciate our relationship with you! If you know of a business that could benefit from our services, give us a call!



Jan Ziegler
Regional Market
Manager

About Amerisource

Founded in 1984 and headquartered in Houston, Texas, Amerisource is one of the largest and fastest-growing independent commercial finance companies in the country. Amerisource provides working capital financing and outsourced receivables management 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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