

Bergenson's Property Services, Inc.

Oceanside, California

Contract Cleaning Services Company

Investment Amount: \$1.5 Million

Investment Date: June 2006



"The CapX team has been very reasonable to deal with, work in a diligent and timely manner, and we have used them for subsequent transactions."

— Dave Rogers, **Bergenson's**

Investment Situation:

Bergenson's Property Services, Inc. is one of the leading outsource service providers to retailers across the country. The company obtained a large retailer contract in the 4th quarter of 2005 that required over \$1,200,000 in equipment to be procured and financed. Due to the company's financial structure and backing by a private equity firm, traditional financing sources would not structure a lease on all the equipment, and if they did, the rates were not competitive. CapX Partners was a resource that was referred by our private equity investors, and they were able to develop a lease structure for the entire amount of equipment at a very competitive rate.

The CapX Approach:

CapX immediately recognized the strong EBITDA and adequate market credit underwriting standards for the company compared to the standards of the private equity lending markets. While the equipment was widely dispersed, the company exhibited superior control over their employees, contracts, and maintaining the equipment. CapX was able to review, propose and work towards a closing very quickly which helped the company satisfy their customers start date request under the contract.

The CapX Approach:

CapX provided a \$1,500,000 lease line of credit that the company used for their pending customer acquisition need and was provided excess availability for additional capital expenditures during the fiscal year.