

## **Detroit Tool Metal Products, Inc.**

**Detroit, Michigan**

**Metal Stamping and Production Part  
Manufacturer**

**Investment Amount: \$1.2 Million**

**Investment Date: June 2006**

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### **Investment Situation:**

CapX was contacted by one of its private equity sponsor relationships to refinance some existing fixed assets that were recently acquired for cash (and inside the senior lender's collateral pool). The sponsor recently completed an add-on acquisition whose post closing costs and slow integration caused a strain on EBITDA performance. The sponsor replaced ineffective management and was seeking a financing source that would recognize the improvements as well as the additional equity injected into the business.

### **The CapX Approach:**

CapX, through its relationship with the sponsor and thorough due diligence of the new management team, agreed with the evidence of the operating results turnaround. The recent improvement in EBITDA and the collateral strength of the fixed assets convinced CapX to provide capital where other lenders and lessors did not want to assist.

### **The CapX Solution:**

CapX provided a \$1,200,000 sale/leaseback on specific fixed assets whereby the cash proceeds reduced the senior lender line of credit allowing the company to gain much needed liquidity.