LANTERN
CAPITAL ADVISORS

WHITEPAPER

"REFINANCE CORPORATE DEBT...FAST." March 2011

Shocking headlines from major financial institutions like Merrill Lynch to Fannie Mae, underscore the liquidity shortage that now faces banks and thus operating companies. Many quality companies will get caught in the middle. Detailed below is a fast track process for finding financing alternatives and added peace of mind during these uncertain times.

Refinance Corporate Debt...Fast

A fast track plan for refinancing

By Chris Risey, President, Lantern Capital Advisors, Atlanta

Let's be clear the financial shake-up appears far from over. Talking with investors, business owners, bankers, and other finance professionals, the headlines only tap the surface of what's actually happening in the capital markets. Lending parameters are still scaled back from historical norms. Companies believing they have adequate financing can still get caught short. Companies have been taking down lines or proactively sheltering themselves from future risks, which only makes the problem worse.

For business owners and CFOs needing additional capital, it pays handsomely to think ahead. The best way to do that is understand your financing needs, articulate that to numerous funding sources, adjust needs and expectations based on their feedback, and then select and vet the best solutions for your company.

As suggested by our Fast Track methodology for raising capital, companies can assess their financing options and make informed choices about other financing alternatives within a period of a month and look to have financing in place in as little as 60 days. The key is being prepared, thinking ahead, and have access to numerous possible funding sources.

STEP ONE: Understand the problem and the risks. The real risk in today's credit market is less that your loan will be called and more that the future capital you were expecting (and even paid for) may not be there. Not having access to even small amounts of capital can jeopardize your business and create frustrating interruptions.

STEP TWO: Identify your specific financing needs. Given the risks, it's critical companies accurately identify their future financing needs. The best way to do that is create detailed financial statement projections. Detailed financial projections should include monthly or quarterly income statements, balance sheets and cash flow statements for a period of three to five years, with five years being ideal. If this work

Fast Track methodology for raising capital - As suggested by our Fast Track methodology for raising capital, companies can assess their financing options and make informed choices about other financing alternatives within a period of a month and look to have financing in place in as little as 60 days. The key is being prepared, thinking ahead, and have access to numerous possible funding sources.

seems daunting, hire a firm to help you on an outsourced basis. Firms with experience, like ours, can often complete this work much faster than accountants or internal personnel. While the temptation is to create summarized financials, detailed statements are a superior format because they also give the clearest picture of the financing need and provide institutions an opportunity to offer the best terms for your situation. Better financing terms may mean higher advance rates on debt, or valuable over-advance features during upcoming seasonal periods.

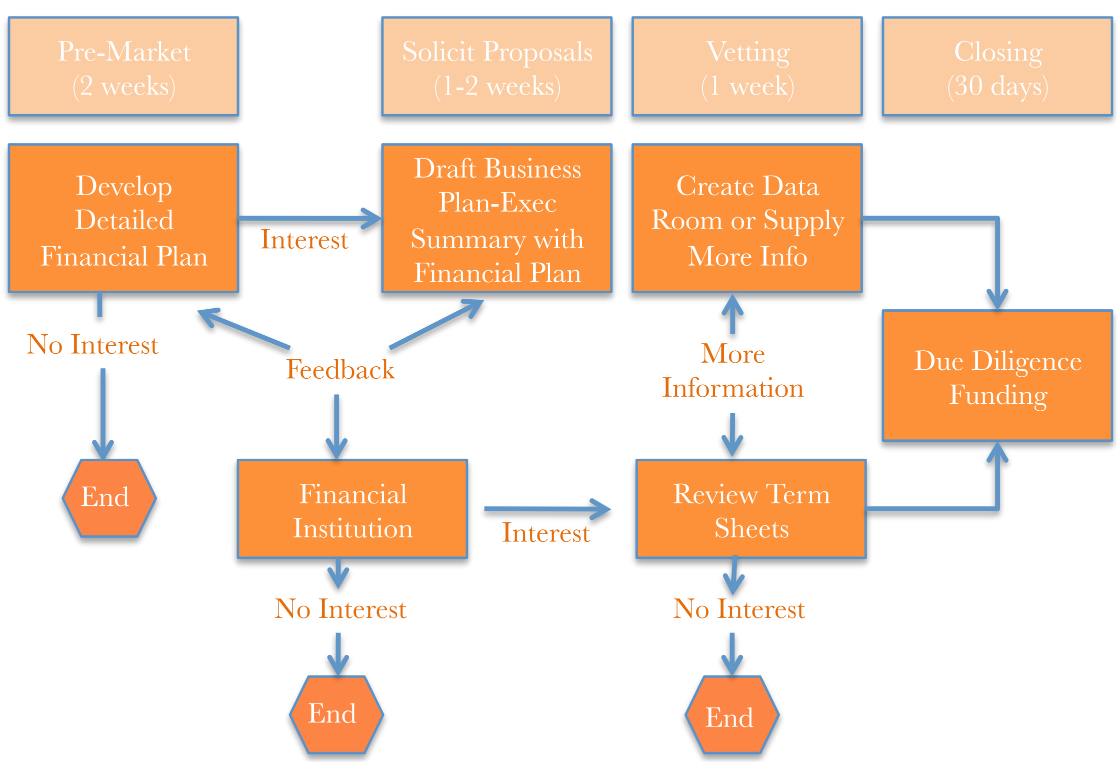
STEP THREE: **Entertain other lenders.** Not all financial institutions are struggling. While some are looking to cut their losses or scale back, many institutions are picking up market share. The trick is to talk to lots of groups and play the numbers. In these shaky markets, the institution's own internal 'story' is a bigger driver of your loan process than is your company's story.

STEP FOUR: **Consider non-bank sources for financing.** Right now many new financings are getting done by non-bank financing institutions, such as hedge funds, subordinated debt funds, insurance companies, etc. These funds have already raised their needed capital and many of them are filling the void of the traditional lender. As the market improves, both the company and the institutions expect that their loans will be reduced with cheaper forms of capital.

STEP FIVE: **Give the prospective financing sources more information.** Once receiving proposals and before committing to a bank or financial institution, allow as many as three or four prospective sources of capital to review detailed information and start some limited due diligence. This is often accomplished by setting up a data room with files that show information commonly requested by financing institutions. By advancing discussions beyond the initial term sheets (i.e. proposals), both the company and the prospective financing institutions are able to further assess one another and avoid future surprises or let downs. Equally important, this step shortens the overall due diligence period, because sticking points can be dealt with while the company is making its final decision or deciding whether it needs a new financing institution.

"Right now many new financings are getting done by non-banking financing institutions, such as hedge funds, subordinated debt funds, insurance companies, etc. These funds have already raised their needed capital and many of them are filling the void of the traditional lender."

A Fast Track For Refinancing



LANTERN
CAPITAL ADVISORS

LANTERN CAPITAL ADVISORS
400 GALLERIA PARKWAY
SUITE 1500
ATLANTA, GEORGIA 30339

WWW.LANTERNADVISORS.COM

STEP SIX: Be a contrarian. Look for new opportunities to create value. Just like when the stock market is down, now is the time to be a buyer if you have the capability. The market always turns around and most will look back and acknowledge that those that went after new opportunities realized the benefits for years to come. Initiatives that commonly build value in a down market include acquisitions, buyouts and even growth. (Consider America Online buying Huffington Post.)

Following these steps, CFOs and business owners can make decisive moves to take the future of their business and value into their own hands, and possibly create much greater value for years to come.

About The Author
Chris Risey

Chris Risey is the founder and President of Lantern Capital Advisors, an Atlanta-based financial consulting firm that specializes in helping successful entrepreneurial companies finance growth, acquisitions and buyouts. Since its formation, Lantern Capital Advisors has helped clients develop strategies and fund their Company in a way that best suits their unique needs and growth potential.

Prior to founding Lantern Capital Advisors, Mr. Risey served as a Managing Director for niche consulting firm that provided corporate financial consulting and helped companies raise capital from a variety of institutions including banks, specialty and mezzanine lenders, venture capital firms and underwriters. After nine years, Mr. Risey left to launch his own financial consulting firm to provide cost effective services, guaranteed results, and high client satisfaction. Chris started his professional career as a CPA in the audit and advisory services group for Arthur Andersen in New Orleans, Louisiana.

Active within the business and civic community, Mr. Risey has served for many years in a variety of leadership roles within Rotary International, Financial Executives International, and The Association for Corporate Growth. Mr. Risey is also a frequent writer and speaker to financial executives and entrepreneurs throughout the country interested to learn more about today’s financing and planning strategies that have created significant value for a variety of companies.

Mr. Risey is a magna cum laude graduate of the University of South Florida with a degree in Finance. He was twice named Academic All-American (Men’s Basketball) and is a former Rotary International Ambassadorial Scholar whereby he studied at the Australian Graduate School of Management at the University of New South Wales in Sydney, Australia. Chris lives in Atlanta with his wife and three children.

CONTACT LANTERN CAPITAL ADVISORS
To learn more about Lantern Capital Advisors and corporate financial planning for your company, please visit our website www.lanternadvisors.com.

About Lantern Capital Advisors
Many clients have limited prior experience in the capital markets and want to gain the benefits of an experienced advisor to source funding alternatives and give advice that is in their best interest. Lantern Capital Advisors hourly based approach uniquely positions us to do just that. Our professionals have been engaged in a broad array of large and small assignments across various industries across the United States. Common client engagements and activities include one or more of the following:

- Develop detailed financial plans
- Secure capital for refinancing, growth, or liquidity
- Coordinate mergers/ acquisitions
- Coordinate management buyouts
- Prepare quality business plans
- Replace current lenders or investors
- Remove personal debt guarantees
- Solicit underwrites for securities offerings