



**WhiteOakGroup**

**RESTRUCTURING, TURNAROUND MANAGEMENT  
AND FINANCIAL ADVISORY  
IN THE SPECIALTY FINANCE SECTOR**



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## **INTRODUCTION TO WHITE OAK GROUP**

White Oak Group is a leading turnaround management, restructuring and financial advisory firm serving middle market companies and their owners, as well as financial and lending institutions throughout the US. White Oak Group professionals are experts in financial restructurings and workouts, mergers and acquisitions, and debt and equity capital raising. Using more than a dozen experienced professionals it helps companies in distress reach successful outcomes. It is particularly skilled at restoring shareholder value in out-of-court environments as well as Chapter 11 bankruptcies. With two offices, White Oak Group serves clients across a broad spectrum of industries and service sectors, and has participated in over 150 businesses restructurings. In the process of achieving successful turnarounds, White Oak Group has created aggregate value for stakeholders well in excess of \$1 billion.

White Oak Group's clients are investors, lenders, creditors, shareholders, directors and managers of underperforming or financially-stressed assets and/or operating companies that need fast, informed, and unbiased action to save, restore, or enhance economic value. They are also potential buyers of, investors in, or lenders to these types of assets who need insight and urgent advice - free from vested interests and conflicts. White Oak Group provides a disciplined, dispassionate approach to due diligence, to taking decisive action, and to the process of managing these businesses as the basis for creating value.

## **WHITE OAK GROUP'S SPECIALTY FINANCE SECTOR PRACTICE**

The specialty finance sector includes a broad range of non-bank financial institutions such as consumer and commercial finance companies, insurance companies, factoring companies, leasing companies and special niche financial institutions such as premium finance companies and those institutions dealing with less than prime credits. Our broad turnaround experience, coupled with our extensive specialty finance experience, enables White Oak Group to perform operational, financial and technical assessments necessary to objectively determine the status of a specialty finance entity.

Based on experience in this sector, White Oak Group has the ability to provide qualified experts with a wide range of specialized technical and functional skills to meet specific client needs. This capability allows White Oak Group to quickly and objectively evaluate technology and processes, determine and benchmark operating performance and practices, appraise marketing and support programs, assess regulatory issues and risks, and understand the market and competitive landscape. In addition, White Oak Group is well qualified not only to evaluate the broader commercial, organizational and financial capabilities and issues in any given situation, but also to recommend new or remedial initiatives, develop strategy and goals, and take responsibility for implementing agreed actions.



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White Oak Group combines this industry-specific expertise and management capability with its proven turnaround, restructuring and financing skills to provide a fully integrated service to clients in the specialty finance sector. The ability to offer in-depth operational and technical evaluation, together with experienced management to affect changes, and also substantial restructuring expertise to facilitate those changes, represents a truly unique basis for White Oak Group to create maximum value from financially stressed assets or operations.

White Oak Group's objective in the specialty finance environment is to take quick, decisive action to protect and preserve the portfolio of financial assets. Then, using tried and proven restructuring skills, White Oak Group arranges equity and debt capital to restore value to stakeholders. In the case of extreme distress, White Oak Group has the experience and skill to obtain the maximum value of the portfolio assets through a managed disposition or liquidation process.

### SERVICES PROVIDED TO SPECIALTY FINANCE SECTOR

White Oak Group's specialty finance team can provide the following services:

1. **Special Situations Investment Banking:** advise on strategic alternatives, develop and execute financing and transactions strategies to implement restructurings, mergers & acquisitions advisory for underperforming and distressed businesses.
2. **Financial advisory:** capital raising and mergers & acquisitions advisory
3. **Assessments and recommendations:** these may be focused on individual operating units or on the overall business entity. Ideally, they will incorporate all relevant aspects of the enterprise, but, if necessary, they can also concentrate on specific technical, operational, commercial, organizational or financial issues.
4. **Turnaround management:** traditional restructuring and corporate renewal assignments, as described in the section following.
5. **Interim management and staffing:** White Oak Group's specialty finance team is qualified to step into any ongoing business and provide senior executive or functional, operational management. In addition, they can readily source specific, detailed technical expertise and staffing from their networks of highly experienced associates. Usually, this is on a short-term or transitional basis, but more permanent solutions can also be arranged. The objective, in all cases, is to add value to existing activities by improving procedures, attitudes and decision-making processes.
6. **Due diligence, strategy development and assistance with negotiations:** these are usually buy-side activities, performed for a potential investor in situations where White Oak Group has no involvement or conflict with respect to the target company.



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White Oak Group offers these services to its clients based on a unique combination of skills:

- ♣ in-depth sector technical expertise;
- ♣ high level industry management capabilities; and
- ♣ substantial experience in completing successful turnarounds and financial restructurings.

### WHITE OAK GROUP'S BUSINESS APPROACH

White Oak Group professionals employ the same proven approach, skills and tools when providing solutions in the specialty finance sector as they do in other industries:

1. **Rapid Situation Assessment:** We focus on three key issues:
  - End game: Determining whether it is possible to accomplish a restructuring or is a loan portfolio sale or liquidation the solution.
  - Short-term survival: Is the company viable, is there a core business, and is there enough liquidity and financing available to enable a recovery; in or out of bankruptcy.
  - Long-term strategy: What will it take to create financial stability and increase stakeholder value; achieve a successful end game?
2. **Management:**
  - In a turnaround, executives who are not capable of developing and implementing a recovery plan or who will impede the process must be replaced.
  - In these situations, a White Oak Group professional, empowered to take necessary actions, will assume control of the company on an interim basis.
3. **Emergency action:** In unambiguous terms, emergency action (in or out of court), must focus on:
  - Stabilizing funding sources
  - Determining the sufficiency of loan loss reserves
  - Strengthening collection policies and procedures
  - Implementing revised underwriting guidelines and procedures
  - Selling underperforming or non-core portfolios
  - Cutting costs
  - Creating the opportunity for longer-term strategy to be implemented
  - If a long-term strategy is not viable, position the company for a quick sale
4. **Restructuring:** Restructuring encompasses:
  - Refinancing the company to secure long-term survival and profitability
  - Identifying and recruiting new management
  - Ensuring the culture will support the longer term strategy



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5. **Return to normal:** Facilitate the transition to a normal operating mode as the basis for:
- Implementing the strategic growth plan
  - Monitoring achievement of key objectives and milestones
  - Disengaging from an active management role
  - Assisting with post recovery issues
  - Providing continuity in a limited advisory role

Although White Oak Group's business approach is process-driven, White Oak Group professionals understand that every individual situation is unique and will tailor the application of this process for each client as necessary.

### CASE HISTORIES

White Oak Group professionals have successfully worked on a wide variety of turnaround situations and capital raises in the specialty finance sector. The following examples are representative assignments.

**Eagle Finance Corp (NYSE)** Publicly held \$250million sub-prime auto finance company. White Oak Group was engaged as financial advisor and assisted the company and its Board in developing and reviewing recapitalization and sale alternatives. Through the ongoing operation of its business and collection of owned and managed receivables assets, and through the arranged sale of its operating assets, proceeds were raised to fully satisfy senior lenders and partially satisfy junior creditors. The major portion of firm's employees and management continued in roles with the successor business.

**Metro Financial Services** Privately held, seventh largest account receivable factor. Metro engaged White Oak Group to be its turnaround consultant and financial advisor after the company absorbed a major client fraud which decapitalized the company and created a liquidity problem. Initially, White Oak Group restructured costs, implemented controls and procedures and cleaned up the portfolio. Metro became profitable and was able to opportunistically add a very large and profitable client which allowed White Oak Group to recapitalize Metro with \$8 million equity and refinance a \$50 million senior credit facility.

**Mepco Insurance Premium Financing.** Privately held \$50 million premium finance company. White Oak Group was engaged as financial advisor to assist the company develop and implement a growth strategy. Developed business plan and capitalization approach, and arranged subordinated and senior debt facilities. With additional capital the Company successfully grew to \$200 million.

**Shaws Furniture.** Privately held consumer finance company and multi-store furniture retailer. White Oak Group was engaged as restructuring advisor. Arranged the sale of a portfolio of consumer receivables, reduced unprofitable operations and closed stores, and restructured senior debt. The business was subsequently sold as a going concern.



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## QUALIFICATIONS AND KEY PERSONNEL

White Oak Group's specialty finance practice is managed and staffed by a core group of qualified personnel with a wide range of senior management and functional experience in this sector.

**Murray Lessinger, CTP - Managing Partner** has advised publicly held and private companies on financial restructurings, acquisitions, financings and sale transactions. As a recognized corporate turnaround expert and financial advisor, he has assumed advisory and operating roles to lead turnaround and strategic initiatives at companies in transition. He has also earned the designation of Certified Turnaround Professional (CTP) from the Association of Certified Turnaround Professionals.

His work with these companies includes developing and implementing strategies to facilitate growth, to improve liquidity and restructure capitalization, to realign organization structure and improve profitability, and to maximize shareholder value and creditor recoveries. His success is based on his deep financial and operations experience, negotiating expertise, and his ability to build consensus among diverse groups in order to achieve corporate goals.

Mr. Lessinger has been retained by managements and boards of directors to serve as restructuring and financial advisor. Successfully completed engagements include Eagle Finance Corp (NYSE), UroTherapies, Inc., Gyncor, Inc., Premium Plastics, Inc., Mepeco Insurance Premium Financing, Homak Manufacturing, Engineered Specialty Plastics, Weld Wheel Industries and Flatlanders LLC. Prior to White Oak Group, Murray served as an executive with Citicorp Mergers & Acquisitions, and as an investment banker at The Illinois Company.

Mr. Lessinger was educated at Vassar College (BA, Phi Beta Kappa), The London School of Economics, Columbia University (MA, M.Phil) and the University of Chicago (MBA).

He has served on various Boards of Directors of portfolio and client companies, and is a member of the Economic Club of Chicago, the Turnaround Management Association and the Association for Corporate Growth.



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## **CONTACT INFORMATION**

For further information about White Oak Group, please visit our website at [www.whiteoakgroup.net](http://www.whiteoakgroup.net). To discuss additional information about White Oak Group's capabilities in the specialty finance sector, please contact:

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