



**THE LEADER<sup>in</sup>  
CASH FLOW  
SOLUTIONS**



## Money Lines Financial Solutions for Emerging Companies

### Four Points, Inc.

As Oliver Moreno worked in his office in Fullerton, California during the first quarter of 2006, the cheerfully sunny days belied his nervousness. Mr. Moreno, the CEO of Four Points, Inc., a wholesale distributor of candies, ice cream, and other sweets and snacks, was on the cusp of significantly expanding his business. But, his accounts receivables were strangling his cash flow and he didn't have the capital to fund his [growth](#) strategies.

In April 2006, Mr. Moreno sought a line of credit from a prominent regional bank but was denied. The reasons were simple and common: his business did not have enough longevity (the enterprise was only two years old) and Mr. Moreno did not have enough net worth to collateralize the loan. Mr. Moreno remembers, "I was in a situation where I knew how to grow the business but I didn't have the capital to do so."

Unwilling to adjust the loan criteria but willing to help, a senior executive at the bank referred Mr. Moreno to Terry Gubatan, a Vice President of Business Development at Commercial Finance Group. Mr. Gubatan understood the Four Points problem as a classic case of A/R management.

Four Points customers often paid in 60 to 90 days. With so many days outstanding, Mr. Moreno was unable to extend additional credit to existing and new customers. With cash flow constrained, he had no capacity to spur the company's growth.

Mr. Gubatan collaborated with Carlos Castro, a senior underwriter at CFG, and began to implement a well-defined financial strategy. Seeing the potential in the Four Points business, CFG initially granted the company a [credit line](#) of \$100,000 in May 2006. CFG handled 60% of the company A/R accounts and within a few months, collections were reduced to 30 days outstanding and in some cases fell all the way to 20 days.

No longer worried about having cash tied up in A/R, Mr. Moreno was able to aggressively seek new business, extend more credit to customers, and expand his distribution area. By November 2006, CFG increased the Four Points credit line to \$200,000 to provide for more growth.

During the time that Four Points was with CFG, the company grew faster than the sugar cane that creates its products. In March 2006, Four Points was generating revenue of \$90,000 per month. By June 2007, the company's sales were \$180,000 per month.

### New Business

November 2007

We are pleased to have funded the following new client types last month:

- precision machine parts manufacturer
- non-emergency medical transport
- freight transportation company
- furniture manufacturer
- architectural services
- employment services
- glove distributor
- medical staffing

Much of our [business](#) comes to us from financial professionals like you. Thank you very much for your trust. Please continue to send us your financially challenged customers.

With demonstrated growth and improved A/R management, and despite a credit crunch in the lending market, Mr. Moreno obtained a bank loan in August 2007 from a regional Southern California bank based in Los Angeles that focuses on Latino entrepreneurs. Jose Juan Vega, a Vice President at [Promerica Bank](#), says, "We funded Mr. Moreno because he proved his ability to service debt and grow his business. He could not have grown that fast without CFG's support." Mr. Moreno states, "Without CFG, I wouldn't have the bank loan and growth that I enjoy today."

In 15 months and with CFG's assistance, Mr. Moreno was able to turn his company around. He now can taste the sweet nectar of success as he continues to build his candy enterprise.

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