

## \$220 Million Sales Company Hires Lavalley & Associates

Lavalley & Associates was hired by the parent company and its two wholly owned subsidiaries to assist them in revitalizing their operations by improving their cash flow and their relationships with their banking group and vendors after the loss of a significant customer.

Headquartered in Connecticut, the parent had two subsidiaries that had combined secured debt of \$70 million with seven financial institutions. The largest subsidiary was headquartered in New Jersey and had manufacturing and warehousing facilities in Ohio, Tennessee and Pennsylvania. The company was one of the largest and most innovative designers and manufacturers of point-of-sale displays and merchandising systems for some of the largest international food and personal care companies. The smaller of the two companies was located in Maryland and manufactured one-time use cosmetic samples.

During the engagement, Lavalley & Associates worked with the company to quickly reduce its expenses, improve its cash flow through improved billing practices and improved collection procedures, provide realistic projections to the bank group, improve its vendor relations, reduce the company's debt and assist in the day-to-day management of the companies. All facilities were visited and operations were streamlined and improved as necessary.

Once the companies began their turnaround, the owners of the parent company decided to sell the two subsidiaries. In both cases, Lavalley & Associates assisted the principals in negotiating the best selling price for the companies and working with the potential buyers to determine accurate inventory values. This consisted of physical inventories in all locations, maintenance of inventory and receivables reports for the length of the escrow agreements and negotiation for the return of unused escrow funds.

After the completion of the sales, the client hired us as their liquidation agent for the unsold equipment and property. Lavalley & Associates coordinated the auction and removal of manufacturing machinery and equipment, vehicles, inventory and office furniture in the Ohio facility with a nationally known auctioneer. Other responsibilities also included the removal and disposal of unsold items from the auction and the maintenance and security of the building.