

We have been involved in corporate restructuring and bankruptcies for privately held companies in distress. Generally, a company in distress has a team that includes a turnaround management and financial restructuring team, bolstered with the firm's CPA and legal counsel that is familiar with creditor advisory, out of court solutions and bankruptcy.

### **Distressed Company Advisory**

Often the investment banker is called into a Company that is hemorrhaging from any number of reasons, which may include:

- Product obsolescence, leading to severe decline in revenues and market share
- Competition that has an advantage of product quality, manufacturing or marketing cost
- Management errors or inattentiveness to conditions in the market, customer relations, bank relations, etc. which have led to losses and unstable balance sheet conditions

Grand Avenue Capital has experience in assisting the troubled company, particularly experienced in selling the entity. While similar to sell-side engagements, the sale of the troubled company is generally accelerated for a number of reasons:

- Cash flow is severely strained.
- Lender and creditor pressure increase the strain on the company and its owners and lender and creditor forbearance is sought in exchange for a rigid timeline and frequent communication regarding where the process stands.
- Knowledge of the troubled company situation in the marketplace exacerbates the potential downward spiral of the entity.
- Key people will be updating their resumes and seek greener opportunities.

# GRAND AVENUE CAPITAL LLC

## INVESTMENT BANKERS

Securities offered through Grand Avenue Capital Partners LLC

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Time for effective action is absolutely critical in salvaging value for all the stakeholders of the troubled company: shareholders, creditors, customers, and employees.

Grand Avenue Capital's involvement starts with a realistic assessment of the distressed company's current and projected performance. Shareholders must agree that the sale of the entity is the effective response to the financial distress the entity is experiencing.

Should the company enter into bankruptcy, Grand Avenue has managed and has participated in a Section 363 sale.

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