



CASE STUDY: TRANSPORTATION INDUSTRY

How Hilco's Monetization Engine Is Driving H19 Capital's Newly Acquired Transportation & Truck Leasing Business to the Next Level

Element Fleet Management sought a buyer and strategically-aligned operator for its 19th Capital Group unit – a provider of asset financing for the North American Transportation industry, including truck leasing and fleet management services – which was at risk as a going concern.

Working primarily remotely, yet remaining in continuous communication with Element's Executive Team during the early weeks of COVID-19, Hilco was able to develop a practical and appealing monetization solution that enabled Element's timely exit from its investment in 19th Capital.

At its core, this solution featured a new operating company run directly by the Hilco Performance Solutions team. The new structure also provided Element with a high degree of confidence and comfort on two critical aspects of the transition: It ensured both continuity of quality service to 19th Capital's existing customers, while also providing continued employment for the vast majority of its valued employees.

Hilco pooled the collective resources of its Valuation, Receivables, and Performance Solutions teams, bringing the transaction to completion in a joint venture with a partner within 90 days, including a closing within two weeks of an agreed upon purchase price.

The newly created operating company, H19 Capital, headed by Steven Tanzi- President of Hilco Performance Solutions, purchased thousands of semi-trucks and trailers, all trucking service and support machinery & equipment, all intellectual property, and a substantial portfolio of accounts receivable, including over 1600 existing truck leases.

H19 Capital also assumed the lease of two truck yards as well as a 136,000 square foot facility in Indianapolis, Indiana featuring engine maintenance, detailing, body and paint shops. This provides for a total combined yard capacity to store over 1700 trucks.

Under the leadership of Hilco Performance Solutions, more than 50 jobs were saved, and the company is now operating with significantly enhanced efficiency to sell and service trucks, manage its existing lease portfolio and pursue the acquisition of new leased truck fleets that can be managed under the H19 operating umbrella.

The acquisition of 19th Capital demonstrates the unique capabilities and benefits of the Hilco Global platform for clients.

"Hilco's multidisciplinary team was truly a distinguishing factor for us. They understood the numerous facets of our businesses and valued it fairly. They developed a strategy that has allowed nearly all of our employees to remain with the new company and a structure that provides continued, high quality service to our valued customers as well. Their recent involvement in high profile fleet deals of a similar nature, as well as their flexibility and resilience in working with us through the many challenges of the pandemic period, were instrumental in our decision and in the successful execution of the transaction."



Heather Tulk
Former President, 19th Capital Group

DEAL DETAILS

Deal Type

Acquisition of Assets

Industry

Transportation and Truck
Leasing

Funding

Self-Financed / Joint Venture

AMOUNT

45-60mm

DILIGENCE TO CLOSE

Under 90 Days

During the early months of COVID-19

Overview

Acquisition, Restructuring, Strategic Performance Improvement and Hands-On Management of a New Opco, Leveraging the Hilco Global Platform.

What We Did

Hilco Global was able to apply its combined expertise in asset valuation, lease receivables, corporate restructuring and operations to create a practical monetization solution that empowered Element Fleet Management Partners' graceful exit from 19th Capital Group.

"Hilco has been active in the transportation sector for many years. We have extensive knowledge and a wealth of proprietary data that we put to work for our clients every day. We also know the value of listening to those who are closest to the business, and we are relentless in asking the kinds of questions that can reveal details and insights to drive the most successful outcomes for our clients. This is exactly how we approached our engagement with Element Fleet Management. Utilizing this process – including a detailed assessment of 19th Capital's fleet, related assets and receivables – we knew in relatively short order that we would be able to assemble a compelling monetization solution to meet Element's unique requirements and objectives. We did, and I'm pleased to report that the outcome has been positive for all involved."



Bryan Courcier
Senior Vice President, Hilco Industrial

MEET OUR TEAM

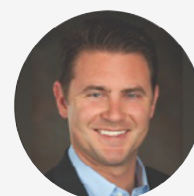
Hilco Global is comprised of leaders with extensive experience redeveloping some of the nation's most complex and challenging businesses.



Jay Stone
Chief Executive Officer
Hilco Receivables
jstone@hilcoglobal.com



Steven Tanzi
Managing Director
Hilco Performance Solutions
847.504.2468
stanzi@hilcoglobal.com



Bryan Courcier
Senior Vice President
Hilco Industrial
720. 636. 5123
bcourcier@hilcoglobal.com