

A Business Owner Builds Cash Flow Resilience through SBLOC Liquidity



The workweek of the private business owner rarely includes a day off. One early Sunday morning a business owner found himself reviewing his business accounts and strategizing for the period ahead. Several sizable receivables that he had been expecting for weeks were still outstanding. With looming payroll deadlines and business taxes to settle, he realized the urgent need to secure funding quickly to maintain his business's momentum.

There had been a few previous occasions where he narrowly avoided withdrawing funds from his investment accounts. He understood that such withdrawals would incur tax consequences and sideline future market participation. Then he recalled his financial advisor mentioning several clients utilizing securities-based lines of credit (SBLOCs). Could this be an option to address his current business needs?



THE RESULTS

- The advisor helped the business owner avoid a \$1 million withdrawal from his investment portfolio, averting tax consequences and keeping his investment account on track.
- The business owner met immediate obligations and integrated the SBLOC as a flexible tool for ongoing cash flow management.
- The advisory practice continued to introduce TriState Capital's lending solutions to business owners as an alternative to withdrawals. They estimate that access to SBLOC liquidity preserves several million dollars in AUM annually among clients.

THE TRISTATE CAPITAL ADVANTAGE

Quick Loan Establishment. Fortunately, his advisor had more than a dozen clients already using TriState Capital's SBLOC lending. The advisor's personal relationship with his TriState Capital banker, along with the fact that the advisory practice was already established on TriState Capital's Digital Lending Platform (DLP), expedited initiating the SBLOC for this client. Within days, funds were accessible to him to fulfill his immediate obligations.

Self-Directed Accessibility. A key aspect of this client's experience was his 24/7 mobile account access through TriState Capital's **myAccess** platform. This enabled him to manage funds independently and efficiently, submitting draw requests from his phone as he navigated the business's cash flows.

For this entrepreneur, gaining access to TriState Capital's SBLOC lending solution through his advisor proved transformative. The SBLOC became an empowering tool, offering peace of mind by facilitating smooth cash flows and ensuring financial stability. It also served as a catalyst for business growth over time.

**WE
MAKE IT
HAPPEN.**

INNOVATIVE RATE STRUCTURES *Fixed and variable*
CUSTOMIZED SOLUTIONS *Meeting clients' objectives*
PERSONAL SERVICE *An experienced, dedicated team*
EFFICIENT EXECUTION *Working capital in days*

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Securities-based lending is a non-purpose margin loan secured by eligible, marketable securities. It is non-purpose because the proceeds of the line of credit cannot be used to purchase or carry securities. Securities-based lending has special risks and is not suitable for all investors. The risk of securities-based lending include: (i) market fluctuations that may cause the value of pledged assets to decline, (ii) a decline in the value of the pledged securities that could result in selling the securities to maintain equity, and (iii) possible adverse tax consequences as a result of selling securities. Fluctuations in market interest rates could also affect the applicable index rate that applies to your line of credit, causing the cost of the credit line to increase significantly. The interest rates charged on lines of credit backed by securities are determined in part by the line of credit amount as outlined in the loan documents. The Digital Lending Platform (DLP) and myAccess are digital platforms offered exclusively by TriState Capital Bank.

TriState Capital Bank is a Pennsylvania chartered bank.