

The Real-Life Advantages of Wholesale Financing



Year founded:
1984



Headquarters:
Santa Fe Springs, CA



Industry:
**Durable goods
manufacturer &
distributor**

About TRUaire

Merchant wholesalers operate on a large scale, primarily placing or fulfilling bulk orders for goods and services. Getting adequate financing to support those operations can be a challenge, especially for a growing business.

Partnering with the right bank can help such companies find the solutions and advice they need to expand.

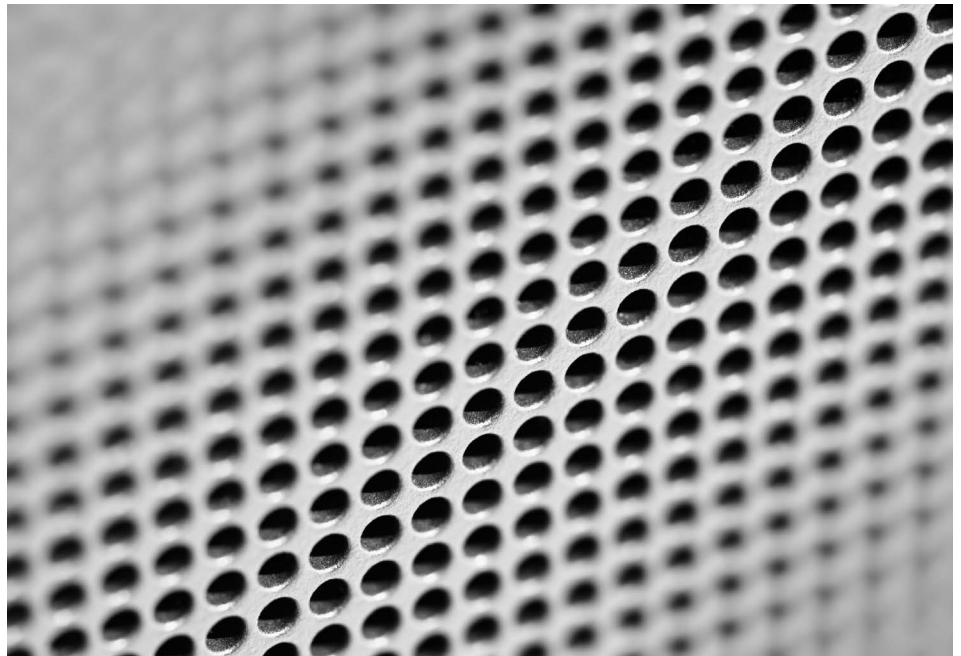
The value of such a relationship can be seen in the story of TRUaire. A durable goods manufacturer and distributor, TRUaire has encountered obstacles to growth over its 30 years in business, like most companies do. Over that time, however, TRUaire and its owners have been able to reliably lean upon Comerica Bank to help the business expand its footprint — including to a retail hardware store near you.

Fueling rapid growth

TRUaire was founded by Yongki Yi and Tony Yi in 1984. The company manufactures grilles, registers and diffusers for residential and commercial-grade HVAC systems. Recently, it landed major accounts with national retail hardware chains that have brought its products to an even larger market.

From the start, Yongki and Tony cemented superior service and quality as the pillars of their business. That focus has proven itself over the long term, but initially they experienced difficulties with banks.

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That’s where Cynthia Jordan, their relationship banker, and Comerica Bank stepped in. After being referred to Cynthia, TRUaire soon closed deals on a \$7.5 million revolving line of credit and small cash-flow term loan that positioned the firm for growth.

“From the first time we talked to Cynthia, she was so professional,” Yongki said. “She understood everything about us: our books, our cash flow, our credit, our situation, our future, our industry. We were instantly comfortable with her.”

The second time is twice as nice

Fast forward to 2017: TRUaire is bringing in \$70 million in revenue, but for a variety of reasons, had switched banks by that time.

The company had grown fast, and cash flow and profit margins had stabilized. Once again, Yongki and Tony started looking toward more growth. And even though Comerica Bank was currently out of the picture, Cynthia made sure to keep in touch.

“She would call every three months or so just to ask how we were,” Yongki recalled.

That persistence and genuine interest paid off, even after Yongki sent an email basically saying

“We appreciate it, but thanks, no thanks.” Cynthia followed up by asking them to lunch.

With an increased credit line offer on the table from their bank at the time, Yongki and Tony reconsidered.

“We thought about how hard Cynthia worked for us initially, how much we trusted her and knew we could work with her,” Yongki said. “We decided we had to pay it back.”

TRUaire reunited with Comerica Bank, and, with a new \$12 million line of credit secured, the business was ready to kick its growth efforts into overdrive.

“She would call every three months or so just to ask how we were,” Yongki recalled.

“With Comerica Bank, we never have to explain everything from the bottom up,” Yongki said.

“We have a complex business model and industry, but we can trust them to do their research, understand our situation and determine the best path forward.”

Taking the relationship to the next level

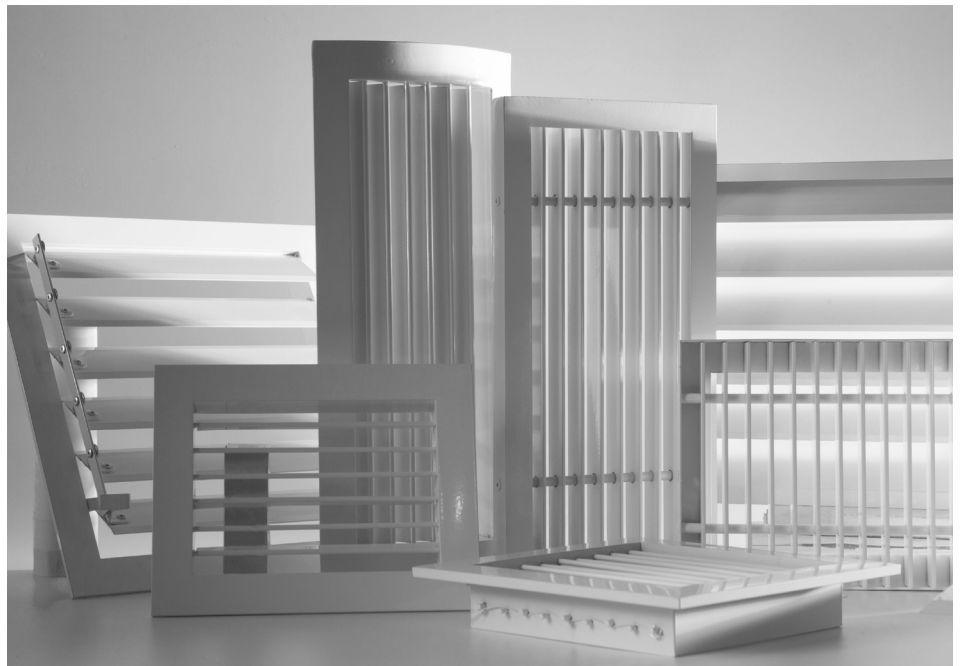
Soon after bringing the relationship back to Comerica Bank, Yongki and Tony realized what brought them together in the first place.

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Comerica Bank helped TRUaire take those steps in a few important ways.

The first was by financing a real estate acquisition for the purposes of building a distribution center. Comerica Bank financed \$10 million of the transaction and fixed the interest rate via a seven-year credit swap. Also, Comerica Bank upped its revolving line of credit commitment to \$23 million by January 2020.

In addition to providing financial solutions, Comerica Bank and Cynthia also lent a big hand in helping TRUaire enhance its operational management. After TRUaire landed a contract with a major hardware store, the company



Comerica Bank

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had to implement an inventory system, which was a massive overhaul of the infrastructure in place at the time. Yongki hailed Comerica Bank and Cynthia for helping them through the process, and more.

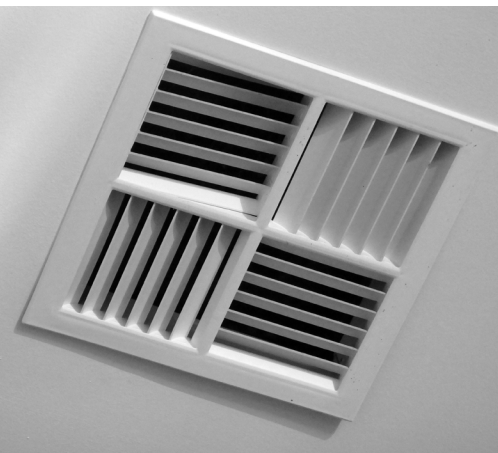
“Comerica Bank has done a lot to help us expand our management knowledge, teaching us how to keep better records and conduct risk management,” Yongki said. “We really appreciate how they spend the time and effort to help us as a growing company.”

Now, TRUaire leverages other Comerica Bank products and services, including risk management and Positive Pay through treasury management, plus the full suite of online business banking. Cynthia also connected Yongki and Tony with the Comerica Bank Wealth Management Team to have some introductory discussions about estate planning and retirement.

“We are 100% satisfied with Comerica Bank,” Yongki said. “We’ve been so happy that we felt like we had to share our experience. They’ve always been honest with us and rolled up their sleeves to get hard work done that’s enabled us to grow.”

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Comerica Bank



Learn about how Comerica Bank can help your company

Growing businesses, especially merchant wholesalers, need a committed banking partner that can appreciate the whole picture and deliver focused solutions and services. As the Leading Bank for Business¹, Comerica Bank is uniquely qualified to help your company realize its growth potential with a mix of strategies and products.

Reach out today to learn more about how we can help your business secure wholesaler merchant financing.

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¹Comerica ranks first nationally among the top 25 U.S. financial holding companies, based on commercial and industrial loans outstanding as a percentage of assets, as of June 30, 2020. Data provided by S&P Global Market Intelligence.

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