



Lee Enterprises  
Consulting

## Case Study

### Client

Regional Bank

### Project Number

18055

### Team Members

Glenn Farris

# Due Diligence of Ethanol Production Company

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## Summary of Client and Challenge They Faced

A regional bank was determining whether to take the lead underwriting position in a syndicate of banks refinancing two ethanol plants. They engaged LEC to review the documentation and covenants to ensure that the finances for the ethanol plants were solid and the credit facilities were structured according to industry standards.

## Our Approach to the Solution

An LEC finance expert reviewed the bank's credit application presentation (CAP) for gaps and accuracy of analysis of the credit. While LEC could not vouch for the veracity of the data, we were able to determine that the analysis was complete and accurate. We also looked at the structure of the credit facility and advised the bank that it was in keeping with norms for the industry. LEC advised the bank on several documents that should be reviewed prior to closing, e.g. – permits for the project and the findings of the California Air Resources Board (CARB) for sale plant's ethanol into a Low Carbon Fuel Standard (LCFS) market.



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#### Client Results and Benefits

With the additional guidance of LEC, the regional bank took the position of lead underwriter and they ultimately approved the loan for what has become one of their largest clients. Having LEC experts on their team gave the bank confidence in their abilities in the market. Ultimately, this created new business for the bank, elevating their role in the sector and improving their reputation with fellow syndicate members.