

## Receivership Protects and Guides a Company During a Family Feud

*A small profitable business was involved in a legal conflict between two generations of absentee owners. Both parties agreed that the best path forward was to have a court-appointed Receiver manage and protect the assets of the company while the legal case took its course. Each had their own support personnel in the building and conflict between different factions was evident. Employees were often getting conflicting directions, feared for their jobs and did not know to whom they should listen. Current and future cash flow was uncertain and control of cash and assets was necessary to maintain the status quo.*

The Momentum Advisors team started by meeting with all employees and explaining our purpose and function, and our need to separate the current owners from the daily operations of the business. We took control of the bank accounts we could, locked the accounts to which we were not provided access, opened bank accounts we controlled and prepared a 90-day cash flow to best manage the cash of the company while the management change was implemented. Our team provided the necessary support and resources to protect the assets of the company and continue to meet all production and delivery deadlines for all customers. Employee morale was improved by our team having regular contact with all employees and addressing their needs as they arose.

We managed operations during the busy and slow seasons and assured the owners were kept aware of the actions with weekly conference calls. We utilized the court system as needed to control the process and assure that the status quo was kept during the pretrial process.

**Results:** Our work contributed to the maintenance of the customer base and the employees of the company during this difficult time. Cash flow was managed and vendor relationships were improved. The appointment of a Receiver was completely transparent to the customer base which continued to utilize the business as a supplier as it had in the past. The owners took larger distributions from the business and cash balances were significantly higher at the conclusion than at the start of the Receivership.