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## Great American Capital Partners and Wells Fargo Provide Financing to Scrap Metal Services

### SMS refinances with new banking partners

LOS ANGELES, Dec. 16, 2015 /PRNewswire/ -- **Great American Capital Partners, LLC (GACP)**, a wholly owned subsidiary of **B. Riley Financial, Inc.** (NASDAQ: RILY), and Wells Fargo Capital Finance, part of [Wells Fargo & Company](#), have entered into an agreement with Scrap Metal Services (SMS) to provide a \$63 million senior secured credit facility. Wells Fargo led the financing, which consists of a \$40 million asset-based revolving credit facility provided by Wells Fargo and a \$23.27 million term loan facility provided jointly by Wells Fargo and GACP.



# GREAT AMERICAN CAPITAL PARTNERS

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Burnham, Illinois-based SMS is a leading provider of scrap management and brokerage services for ferrous and nonferrous scrap suppliers and consumers. SMS's decision to move its entire senior credit facility to a new lender is part of its ongoing efforts to ensure its viability in one of the most challenging scrap metal markets in years. Since its formation in 2005, SMS has been able to weather the peaks and valleys in the market through its strategic diversification efforts.

"The SMS management team has achieved a remarkable track record in building and operating companies in the dynamic scrap metals market," said John Ahn, president of GACP. "Our unique institutional knowledge and familiarity with the company's asset base — qualifications that differentiated us from other lenders — allowed us to confidently structure and execute this transaction. Overall, our collaboration with this industry leader represents another example of GACP's proven expertise in helping middle market companies navigate challenging macro environments."

Jeffrey Gertler, co-founder and CEO of SMS, added: "Our new banking partners offer SMS an increased flexibility to adjust to changing market conditions and what we view as a fundamental shift in the scrap metal industry in the Chicago area. We are making tough decisions and taking the steps necessary to strengthen and potentially expand our position in the market."

"SMS is a reputable company with a strong management team supporting it," said Jeremy Baker, Managing Director of Loan Originations, Wells Fargo Capital Finance. "We are pleased to have been a part of this transaction and look forward to supporting SMS in their future business endeavors."

### About Scrap Metal Services, LLC

Scrap Metal Services, LLC (SMS), headquartered in Burnham (Chicago), IL, operates over twenty scrap processing, steel mill support services, ship breaking and oil rig dismantlement intermodal/truck/railcar dismantling facilities and auto salvage and parts sales yards in the United States and Mexico. SMS provides full-service scrap management, consulting and purchasing services to industrial scrap generators and demolition contractors, on a local and national basis. SMS is a supplier of ferrous and nonferrous scrap commodities to both domestic and international consumers and offers brokerage and trading services to other scrap companies.

**About Great American Capital Partners, LLC**

Great American Capital Partners (GACP) is dedicated to providing opportunistic and responsive capital to the underserved middle market. GACP originates and underwrites senior secured loans to asset-rich companies across a wide array of industries by leveraging deep in-house asset valuation expertise to deliver capital solutions that traditional lenders are typically unable to provide. Our customized solutions support a range of growth, refinancing, recapitalization and restructuring needs.

GACP is part of B. Riley Financial, Inc. (NASDAQ: RILY) provides collaborative financial services and solutions through several subsidiaries, including: B. Riley & Co. LLC, a leading investment bank which provides corporate finance, research, and sales & trading to corporate, institutional and high net worth individual clients; Great American Group, LLC, a leading provider of advisory and valuation services, asset disposition and auction solutions, and commercial lending services; B. Riley Capital Management, LLC, an SEC registered Investment Advisor, which includes B. Riley Asset Management, a provider of investment products to institutional and high net worth investors, and B. Riley Wealth Management (formally MK Capital Advisors ), a multi-family office practice and wealth management firm focused on the needs of ultra-high net worth individuals and families.

B. Riley Financial is headquartered in Los Angeles with offices in major financial markets throughout the United States and Europe. For more information on B. Riley Financial, visit [www.brileyfin.com](http://www.brileyfin.com).

**For More Information:**

John Ahn, President  
Great American Capital Partners  
[jahn@gacapitalpartners.com](mailto:jahn@gacapitalpartners.com)  
310-689-2215

**Media Inquiries:**

Kelly Phillips, Marketing Director  
B. Riley & Co.  
[kphillips@brileyco.com](mailto:kphillips@brileyco.com)  
310-689-2224

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