

# DAILY BUSINESS REVIEW

## DEALMAKERS

To suggest candidates for Dealmakers, contact Cathy Wilson at [cwilson@alm.com](mailto:cwilson@alm.com). Dealmakers should be based in South Florida, but transactions need not involve local companies or properties.

### Lawyers work with trio of lenders to secure financing for family-owned seafood company

**Dealmakers:** David Podein and Roger Slade

**The Deal:** The David B. Haber P.A. attorneys represented Pacific Coral Seafood Inc. in obtaining \$45 million in financing from City National Bank of Florida on Oct. 3. The funding is to be used for inventory acquisition and expansion in the United States and internationally.

**Details:** Pacific, a family-owned and operated seafood importer, considered several lenders before signing a term sheet with City National, which was already funding a line of credit that was replaced and enhanced by the new financing. The Haber attorneys were retained after Pacific signed the term sheet and hashed out business terms with the bank.

The transaction took two weeks to complete from an initial mid-September conference call with Pacific executives to completing the financing agreement, according to Podein.

City National syndicated the notes with two other lenders, which were not disclosed by the attorneys.

"Negotiating simultaneously with three different lenders, with City National at the lead, created a special set of challenges," Podein said. "But the client made themselves available day and night to assist, which is always key."

The transaction, a revolving credit facility with promissory notes and a swingline note, was particularly challenging because it involved the perfection of security interests in a perishable product. The seafood is imported regularly and

stored in facilities in Florida and outside the state.

The swingline note provides funds that can be accessed by a borrower whenever it needs them. The attorneys declined to disclose the length of the credit facility.

The transaction required "confirming the security interests, with collateral that is in warehouses where the client has its product stored and shipped out, as well as offices where the client operates its business," Podein said.

Pacific's seafood inventory is "constantly changing," and a default would have to be reconciled with the company's inventory at that point in time, he said.

The attorneys had to adhere to tight deadlines to ensure company operations were not impacted.

"It involves simultaneously conducting due diligence on Pacific's business operations, negotiating the credit agreement and security agreement with the lenders, preparing all of the collateral-related documentation and agreements, coordinating required third-party consents and much more," Podein said.

Pacific has been "progressively growing by selling to various retailers like Long John Silver's," Slade said. "It is in growth mode due to increased business from sales to suppliers. As that increased, the increased financing was necessary to ensure it had the product to meet customer demand."

**Background:** Podein is an associate and Slade is a partner at the law firm. They were assisted by firm founder David B. Haber.

— Eric Kalis



J. ALBERT DIAZ

David Podein, center, and Roger Slade, right, represented Pacific Coral Seafood in obtaining \$45 million in financing to be used for inventory acquisition and expansion. They were assisted by their firm's founder, David B. Haber, left.