

# CLEAR VIEWPOINTS

*From Industry Leaders We Know and Respect*

**PKF** Clear Thinking  
A PKF O'Connor Davies Company

## **Q: What initially led you down this career path?**

A: To be honest, I never planned to be a lender and had no concept of asset-based lending. My first few years after college were spent in various functions in the retail industry. When my employer at the time was acquired, I decided to explore other opportunities. I was introduced to a specialty finance company that worked with retailers and provided financing in the form of asset-based facilities. This organization wanted to hire professionals with retail industry expertise to work with their corporate finance and banking professionals. I started as an analyst focused on due diligence and collateral monitoring. Over time, I identified as a lender, but it was entirely serendipitous. I enjoyed the work, the dynamics and challenge of closing a deal and, of course, the people. Since then, I've never considered any other career.

## **Q: Can you share a business philosophy that you live by?**

A: I have always believed that people want to work with those that they know, like and trust. While I am technically selling money, what I really offer are solutions to often complex situations. But our business is not just a transaction. Developing real relationships and a rapport with referral sources and clients is absolutely part of the equation. Being straightforward and transparent – even when doing so may be a

disadvantage – is the only way to approach relationships and how I choose to conduct business.

## **Q: Can you offer insight into your strategy when sourcing, originating & structuring loans?**

A: The vast majority of our opportunities come from referral sources such as investment bankers, debt capital advisory professionals, as well as other asset-based lenders. Our business is predominantly national with some international capabilities in Canada, the UK and select European countries. It takes years of being out in the market, developing and maintaining relationships and then being responsive to inquiries to generate a consistent pipeline of opportunities. Our approach is to be as creative as we can to meet the needs of the borrower while maintaining a disciplined approach to credit. It's not always an easy balance. We aim to provide a compelling solution quickly. But if we aren't the best resource for the situation, a quick "no" is always the best path.

## **Q: What is your current approach to the marketplace?**

A: We have been focused on expanding our product capabilities to include revolvers as well as term loans. In some cases, we work in partnership with a revolving



### **Cheryl Carner | Senior Managing Director & Head of Originations, SLR Credit Solutions**

Cheryl Carner is a results-driven professional with over 25 years of corporate finance experience. She is well versed in the debt capital markets and her expertise in structuring complex debt financings for middle marketing companies has provided her clients with solutions that generate immediate benefits such as enhanced liquidity, growth capital or reducing the cost of capital. Cheryl is currently a Senior Managing Director and Head of Originations at SLR Credit Solutions (f/k/a Crystal Financial LLC) a non-bank provider of asset-based private credit solutions. She is a member of the firm's Investment Committee and leads a national team of business development professionals. During her tenure at the firm she has sourced, structured and underwritten over \$1.0B of debt financings. Prior to SLR Credit Solutions, she held business development roles focused on the retail, consumer and restaurant sectors at GE Franchise Finance, CapitalSource and Fleet Retail Finance. She received her MBA at the F. W. Olin Graduate School of Business at Babson College and her BBA at the University of Massachusetts at Amherst.

lender, and we provide an asset-based term loan often on a split lien basis with discrete priority collateral and a stretch advance rate on the working capital assets. In other instances, we have a lien on all the assets and can act as agent or join in a club style execution with other like-minded lenders.

**Q: Has SLR Credit Solutions changed the way they view transactions or structure them given current market conditions?**

A: Taking current macro conditions into account is definitely part of the underwriting process and therefore impacts how we assess credit and think about risk. For example, we finance many companies in the retail and consumer products sector and therefore have to consider how consumer sentiment, consumer spending patterns, inflation, supply chain issues among many other factors will impact a business. Many lenders are taking a more conservative approach to structure and are focused on more frequent collateral monitoring. Yet, there is a very healthy level of competition in our market given the substantial amount of capital that has been raised to deploy in non-bank private direct credit. That said, our business is to take risk – but do so in an intelligent manner.

**Q: In your opinion, what is the outlook for 2024? Can you explain what trends (or challenges) we can expect from deals in the new year?**

A: Given the fact set of (i) continuation of high interest rates (vs. the “free money” period during COVID but note that interest rates are not high when looking at the average over the last 20 – 30 years); (ii) inflation figures above the Fed’s 2% target; and (iii) more pressures on the consumer’s wallet (i.e., resumption of student loan payments, current mortgage rates and current interest rates on credit card debt), I would expect many businesses to experience challenging financial performance.

The regulatory environment for the banks is forcing many to curtail new lending activity and be more



stringent with existing borrowers, including pushing for refinancings.

These trends should bode well for lenders like SLR Credit Solutions and others focused on non-bank private direct credit going into 2024. All that said, the one thing I do know is that I am most often wrong when I try to prognosticate...

**Q: Why is important for you to support charitable organizations like More Than Words, Boston Impact Initiative, Combined Jewish Philanthropy and the Pan Mass Challenge?**

A: I have always felt a responsibility to make a positive impact in my community and leave the world just a little bit better than how I came into it. There is no shortage of need, and everyone has the ability to make a contribution. I’m grateful and appreciative of the good fortune I have had and therefore prioritize giving back both financially and with my time and skills.

**Q: What are some of your personal interests?**

A: Mostly spending time with family and friends mixed in with yoga or biking, shopping, Netflix shows and, of course, travel.

**About PKF Clear Thinking LLC**

PKF Clear Thinking LLC offers advisory services that help companies succeed, at any stage of their life cycle, with clear direction and practical, actionable solutions. The Firm engages with healthy companies to create value and works with troubled companies to preserve value. Our track record and years of experience working on hundreds of successful engagements has propelled us to become a trusted and respected advisor.

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