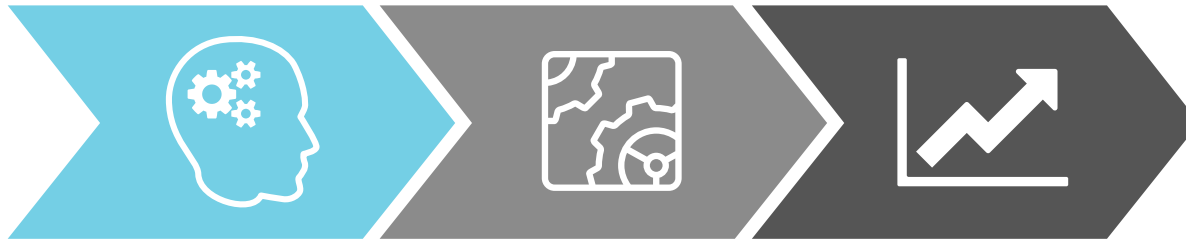


OUR APPROACH:

Case Study:

Federal Receivership: Independence Lumber Inc.



Rethink

In July 2020, Aurora was appointed as federal equity receiver to Independence Lumber, a multi location sawmill operation in Virginia and North Carolina. The Company primarily processed hardwood lumber exported to furniture manufactures in Asia or domestically used in cabinets and flooring. Externally, the new 25% tariff on its exports decreased the China demand for its hardwood lumber and Covid-19 lead to a drop in domestic customer demand. Internally the owner comingled several personal businesses and leased unutilized assets increasing the Company's leveraged position.

React

The mills were placed in federal equity receivership with Aurora appointed as the federal equity receiver reporting to the North Carolina Middle District Court. Aurora worked with existing management and ownership to increase liquidity through inventory and production management, fixed asset rationalization and reducing discretionary spending. These measures allowed the Receiver to stabilize the Company and develop a plan to maximize the return to all parties.

Results

Aurora has stabilized the Company's cash position and continued to operate the facility to maximize value. Aurora concluded marketing the assets to strategic buyer was the best means of returning maximum return to creditor and equity. The entire operation was successfully sold in July of 2021.