

The Week in Review

Catching Up with CSG Investments, Inc., Beal Bank, and Andy Longhurst

When the December 21st press release announcing Plano, TX (near Dallas), headquartered Beal Bank's participation as a lead new lender in Centerline Logistics' ("Centerline") \$425 mm refinancing coincided with our LinkedIn discovery that it was CSG Investments ("CSG") Andy Longhurst's 10th anniversary at the firm (CSG is a global buy-and-hold institution and affiliate of and investment consultant for Beal Bank that houses many of Beal Bank's business development professionals) we took it as a sign that we should give Andy a call and catch up on things. And call we did.

Some Marine Money readers will remember CSG and Beal Bank's Deal of the Year winning transaction that took place in February 2019 when Nordic American Tankers announced that it had entered into a five-year \$306 million senior secured credit agreement arranged by CSG and funded by Beal Bank. As an opportunistic, deep value lender that prefers to take a first-lien position, prioritizes strong balance sheets with tangible, durable collateral, and has the ability to write big checks (\$50 – \$750 million), this deal was textbook. With the tanker market in the doldrums and other banks seeking to exit, Beal Bank was then, as it is today, poised to fill the void.

The same was true in the container market a year earlier when CSG arranged a \$61 million loan, funded by Beal Bank for MPC Container Ships, and in the hydrocarbon market in October 2020 when Kosmos Energy announced a five-year \$200 million term-loan facility secured against the Company's U.S. Gulf of Mexico assets. That loan was structured by CSG with \$150 million provided by Beal Bank at an interest rate of approximately 6 percent. Fast forward to the recent Centerline deal and the story is consistent. And these are just the publicly announced deals and a fraction of the overall number of loans that CSG has originated and Beal Bank has funded since Andy joined CSG 10 years ago after a long tenure at Lloyds on the banking side and Maroil Trading Inc. on the corporate front.

And while bi-lateral deals are the norm for Beal Bank, and their rock-solid capitalization (approximately \$30 billion in combined assets under Beal Bank parent Beal Financial Corporation (BFC)) and private ownership allow them to be selective, it also means they can do any deals that make sense – whether that means different asset types, buying loans in the secondary market or participating in a deal with other lenders. If you would like to connect with Andy and the bank, please drop him an email at: alonghurst@csginvestments.com or we would be happy to introduce you. And if there is anyone you would like us to catch up with in a future issue of *Freshly Minted*, please let us know.