

Bank VI CASE STUDY

December 2008

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Client	Bank VI, Salina, KS
Client since	2008
Contact	Chris Yohe, Sr. Vice President
Auction types	Internet-only auction
Merchandise	repossessed equipment and inventory of a regional business
Purple Wave contact	Jerrod Westfahl, EVP Business Affairs jerrod@purplewave.com 785.341.6071

Problem

The bank exercised its rights to take possession of collateral consisting of the vehicles, equipment and inventory of a regional electrical, plumbing and HVAC business. The bank needed an effective method to:

- | liquidate the collateral quickly while achieving meaningful recoveries
- | provide an opportunity for local buyers to acquire the assets
- | minimize the burden on its commercial lenders
- | limit the bank's public visibility in the process

Solution

The bank chose to work with Purple Wave to liquidate the collateral in an Internet-only auction. Purple Wave executed the following steps:

- | created 438 auction lots best suited to generate bidder interest and recoveries
- | designed and implemented a local print advertising campaign which was coupled with Purple Wave's search-optimized online listings and syndication to numerous Internet auction calendars

- | set fixed windows for asset inspection and pickup, with hosting and coordination provided by Purple Wave personnel
- | collected all payments from winning bidders, including wire transfers, credit card payments and personal check payments over a certain amount backed by bank guarantee letters
- | assured all vehicle titles were properly transferred and delivered to winning bidders

Results

Purple Wave delivered the following results:

- | assets were exposed to both the local bidder community as well as Purple Wave's 35,000+ member online customer base
- | 328 Internet bidders from an average distance of 75 miles away participated in the auction
- | all assets sold, with each auction lot averaging more than 15 bids
- | 101,186 visits to the auction's web page on purplewave.com
- | gross auction proceeds nearly three times the bank's original expectations

Bank VI's officers were pleased with the result. "Purple Wave provided excellent service and, although we were skeptical when we first spoke with Purple Wave about using the Internet-only format, the recoveries obtained through the Internet-only auction were incredible," said Chris Yohe, Sr. Vice President and commercial lender.

"Although we never want to be liquidating collateral, we will definitely utilize Purple Wave's services again, if needed. They allowed us to cut off our holding costs and provided real returns while our staff were free to focus on our core business. I'm very impressed with Purple Wave."