

RoundTower Technologies

Background

RoundTower Technologies recently retained McGuire Sponsel to assist in the termination of an existing interest rate swap and provide pricing transparency for a replacement swap with their new bank.

Interest Rate Swap Assistance

Given the large positive market value of the existing swap, the client was seeking independent assurance of the termination value being quoted by their bank provider. RoundTower Technologies also requested assistance in eliminating all unnecessary bank fees and charges when terminating the interest rate swap. The lack of pricing transparency and the conflicting profit motivations of the bank providers, prompted RoundTower Technologies to retain McGuire Sponsel to assist with the swap termination, administer and optimally time the termination, and provide price transparency for the new swap.



Interest Rate Swap Process

McGuire Sponsel worked closely with RoundTower Technologies' chief financial officer to develop independent valuation and market standard pricing.

Outcome

Using McGuire Sponsel's expertise and infrastructure, the client was able to substantially mitigate interest rate risk during extreme market volatility and substantially reduce excessive fees and charges being applied by both bank providers. The targeted bank profit was reduced by 80 percent on the termination and 45 percent on the new trade.

CLIENT SNAPSHOT

Client Type

For Profit

Project Location

Cincinnati, Ohio

Project Objective

Ensure appropriate pricing of swap termination and price transparency of new swap trade

Source of Funding

\$10,000,000 Bank Financing

About the Company

RoundTower Technologies is a systems integrator that provides innovative solutions and services, including data center infrastructure, converged platforms, cloud automation and orchestration, DevOps and data analytics.

