



# Lobo Logistics keeps on trucking

*Creative lending solutions help them grow across the country*

What does hauling sand have to do with supplying energy to American homes? Lobo Logistics has the answer.

It begins with a quick explanation of hydraulic fracturing, or “fracking,” a process to extract oil and natural gas trapped in rock formations deep underground. Over the last two decades, the proliferation of fracking has helped the United States dramatically increase domestic oil and gas production. As a result, the American people enjoy lower energy prices and the country has decreased its dependence on coal-fired power plants. Lobo Logistics is proud to play a critical role in that process; the company specializes in making timely deliveries of a particular type of sand (called proppant) used in fracking operations.

Based in Denver, **Lobo Logistics** was founded in 2019 by Marcus Dacar and Rick Pattillo, two entrepreneurs with backgrounds in oil and gas.

“Around that time, there was a major shift in the industry, with new technologies allowing fracking sites to open more wells and operate at much higher capacities, requiring thousands of tons of sand,” explained Pattillo, co-president and chief commercial officer. “We saw a need for a third-party expert who could get enough sand to these sites as they needed it.”

Thus, Lobo Logistics was born. Just a few years later, the company has established a presence at nearly every major oil basin in the country. With a combination of state-of-the-art equipment and advanced logistics technology, Lobo is the lynchpin that keeps production flowing around the clock.

“We’re 10 times the size of when we started, and we couldn’t have done it without the support of **BOK Financial®**,” said Pattillo. “They understand our business and what we’re trying to accomplish. They’ve been a fantastic partner from day one.”

# Meet Lobo Logistics

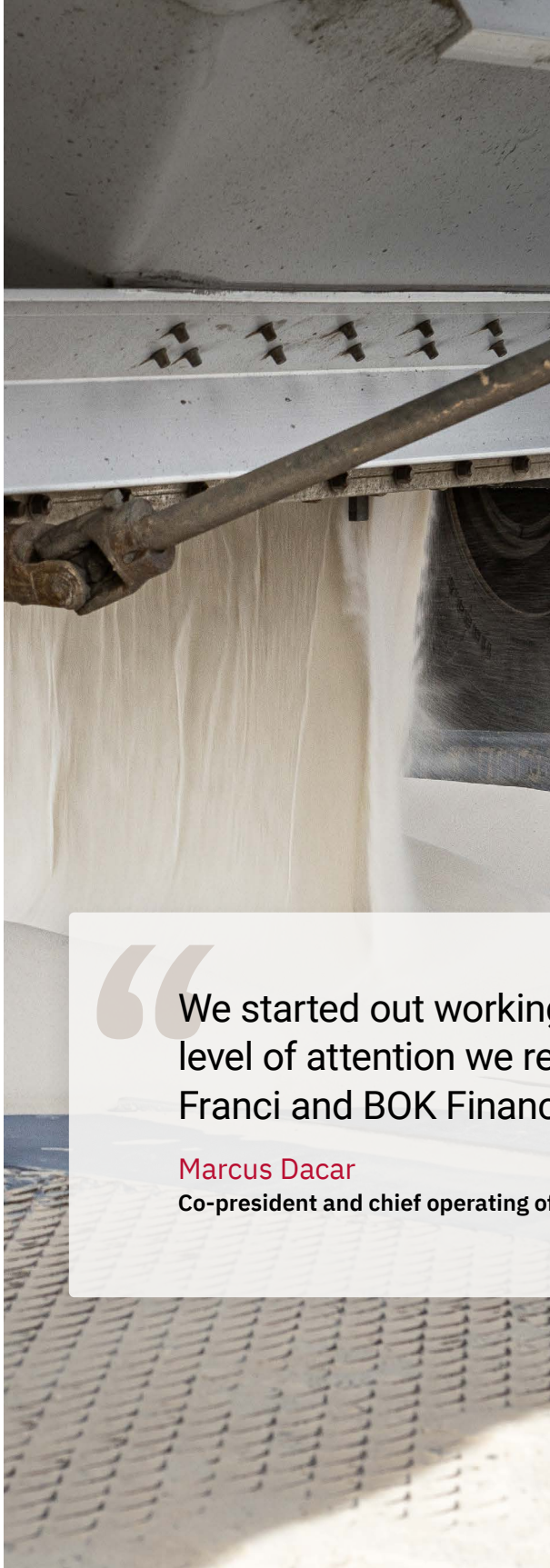
**FOUNDED:** 2019

**WHAT THEY DO:** The fracking process pumps a mixture of water and sand into the well at extremely high pressure, cracking the shale rock to release oil and gas. Lobo Logistics is responsible for transporting massive loads of sand from mining sites to the well sites, a complex business involving a network of carriers, optimal route planning and just-in-time delivery, as well as compliance with a long list of government regulations. Lobo also operates on-site sand storage systems customized to the needs of fracking operators.

**HOW THEY MADE THEIR MARK:** The Lobo team has seized on opportunities to modernize and streamline well site logistics. Through their carrier partners, they take advantage of the latest in trucking systems to increase payloads by up to 60%, requiring fewer trips and lowering costs. At the same time, they rely on proprietary software using AI, computer vision and data analysis to optimize their operations, and meet exacting customer demands.

**WHAT SETS THEM APART:** Responsible oil and gas companies are working to minimize their environmental impact, and Lobo Logistics is helping customers meet their sustainability goals. More efficient transportation planning means fewer trucks on the road, making shorter trips. This efficiency not only improves financial performance, but it also leads to reduced carbon emissions.





## CREDIT WHERE IT'S DUE

Like many start-up companies, the Lobo team knew they had a great idea and a winning business plan; the challenge was scaling it up.

"We are very working capital intensive. We're on a 30- to 90-day pay schedule with our clients, but we often have to pay our partners (trucking companies) the same week they provide services," said Pattillo. "So, we needed additional capital to go out and get more work while continuing to pay vendors on time."

They started out using personal loans to cover expenses, but knew they needed a more sustainable banking solution to help them grow. That's when they called BOK Financial.

"We really liked the Lobo team and the direction they were headed. We were convinced they could execute on their plans, but growth would be limited without adequate working capital support," said Franci Bond, portfolio manager with BOK Financial's Asset Based Lending team. "We were able to propose a credit facility that would address their current issues but also provide flexibility for their steep growth trajectory."

The credit facility turned out to be the ideal solution, helping Lobo Logistics unlock the capital they needed to shift their growth into high gear. Since the relationship began in 2021, BOK Financial has expanded Lobo's original \$5 million credit facility multiple times.

“We started out working with a much larger bank and the level of attention we received was nowhere close to what Franci and BOK Financial provide.”

**Marcus Dacar**

**Co-president and chief operating officer of Lobo Logistics**

"That flexibility is one thing that distinguishes us from the larger banks," said Bond. "Under the right circumstances, we're able to consider smaller facilities and scale up as necessary."

BOK Financial's support for smaller companies isn't lost on Lobo.



"We started out working with a much larger bank and the level of attention we received was nowhere close to what Franci and BOK Financial provide," said Dacar, co-president and chief operating officer of Lobo Logistics. "They listen and they're quick to respond to any issue. It almost feels like they're a part of our direct team."

For Bond, getting to know her clients and helping them succeed is the most rewarding part of the job.

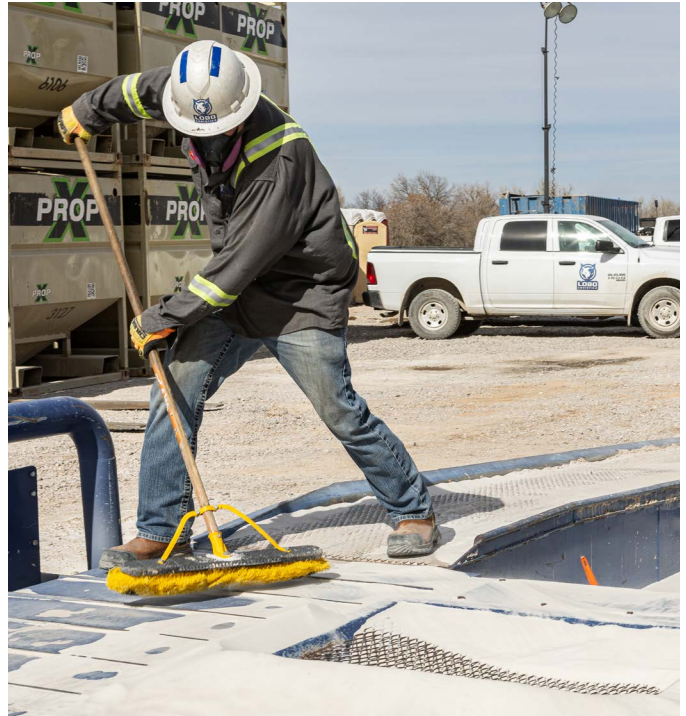
"All of our clients are unique, so I think it's fun to learn about their different industries and come up with the best possible solutions to meet their needs as the situation changes," she said.

Undoubtedly, Lobo Logistics' needs will continue to evolve as the company grows. In addition to deepening their foothold with fracking operators, Pattillo and Dacar are eyeing opportunities to apply their transportation expertise to industries beyond oil and gas.

"BOK Financial has been open to discussing equipment loans and other offerings beyond the credit facility that can help us grow in new directions," said Dacar. "Whatever that might entail, we know they have our backs."

“We’re giving them cash now so they can go buy more inventory or take on new business, without waiting on payments from customers to come in.”

**Franci Bond**  
Portfolio manager with BOK Financial's  
Asset Based Lending team



## EASE GROWING PAINS WITH ASSET-BASED LENDING

It's a common scenario: a growing company is making plenty of sales, but the receivables aren't coming in fast enough. Without adequate working capital (i.e., cash on hand), the company has a hard time paying suppliers and vendors on time, and it can't fund the steps it needs to keep growing.

For some companies, these problems can be solved through asset-based lending (ABL).

"ABL is a lesser known and often misunderstood aspect of banking, and many smaller community or regional banks don't offer it," said Bond. "Unfortunately, some companies miss out on opportunities they didn't know existed."

Unlike traditional business financing, in which lenders look closely at the company's cash flow, ABL is a secured loan or credit facility where the borrower's assets serve as collateral. Those assets usually include accounts receivable, but could also include hard assets like product inventory, equipment or real estate.

"ABL essentially allows a company to speed up its cash conversion cycle," said Bond. "We're giving them cash now so they can go buy more inventory or take on new business, without waiting on payments from customers to come in."

"It's been our lifblood, really," said Lobo Logistics' Rick Pattillo. "We couldn't grow without it."



## Meet Franci Bond

**JOINED BOK FINANCIAL:** 2014

**BANKING EXPERIENCE:** Franci has decades of banking industry experience, starting her career in Los Angeles and serving in various roles including managing a team of regional examiners, P.O. finance, factoring and portfolio management. She joined BOK Financial in 2018 as part of an acquisition.

**EDUCATION:** BBA, Economics, Point Loma Nazarene University

**WHAT MAKES BOK FINANCIAL DIFFERENT?** “Our clients get customized solutions and a team dedicated to their success, not just in ABL, but throughout the bank. We can help clients start small and grow over time, leveraging our broad product and service offerings to compete with even the largest national banks.”

**WHY DO YOU CHOOSE TO WORK AT BOK FINANCIAL?** ABL was new to BOK Financial when I started here. I saw this as an opportunity to build something meaningful that would be an important part of our credit offerings for the future. I get the privilege of working with an incredible and cohesive team of smart and committed professionals. Each one is integral to our success. I’m so proud of these people and happy that I get to be a part of this team during this exciting time of growth.”

