

Hugh R. Johnson CPA

Partner

Summary

Extensive experience in the automotive wholesale lending industry and managing troubled dealerships from the lenders perspective. HR Johnson & Consultants, LLC are providing services to lenders in the areas of risk mitigation and inventory management.

Experience

HR Johnson & Consultants, LLC

Partner

(08/2019 – Present)

Firm contracts with and provides the following services for Automotive Wholesale Financing Companies:

- Risk Mitigation
- Expert Witness Services
- Forensic accounting projects
- Financial statement analysis performed to determine capitalization (non-attestation)
- On-site monitoring of automobile collateral tracking and daily sales and location of existing inventory
- Internal Control analysis

Nissan Motor Acceptance Corporation (09/1995 – 08/2019)

Manager of Dealer Workout

(04/2017 – 08/2019)

Responsible for Automotive Dealerships identified with “technical” defaults based on loan covenants.

- Formulate action plan based on goals and objectives presented by dealer principal to address meeting capitalization requirements, profitability issues, and meeting other terms of the wholesale agreement.
- Modify action plan based on monthly tracking of financial results of the Automotive Dealership.

Responsible for Automotive Dealerships identified with “cash” defaults.

- Quantify magnitude of cash default: unpaid lending for vehicles, capital loans, mortgages.
- Discuss default with borrower to determine potential resolution.
- Contain remaining exposure – Determine action plan if no quick resolution through buy/sell; replevin; foreclosure.
- Manage business side of legal action: reporting of default and providing court testimony.

Manager of Inventory Control (01/2012 - 03/2017)

Responsible for managing over 750 wholesale accounts with total exposure in excess of \$7 Billion.

- Improved efficiencies and reporting of inventory audit results resulting in a transparent communication to dealerships.
- Managed the addition and deletion of wholesale accounts.
- Improved collection process resulting in lower year-over-year delinquencies.

Manager of Due Diligence (01/2009 – 01/2012)

Responsible for evaluating risk of wholesale portfolio.

- Managed due diligence process: team of CPA's would perform tests of financial records to determine true capitalization levels and present operational improvement recommendations to dealership staff.
- Responsible for calculating specific and general reserves of wholesale portfolio based on current and historical results.

Manager of Commercial Credit (01/2008 – 01/2009)

Responsible for wholesale credit underwriting process including vehicle floorplan, mortgage, construction, lines of credit, and capital loans.

Manager of Dealer Workout (01/2006- 01/2008)

See above

Senior Due Diligence Auditor (08/1995 – 01/2006)

Determine compliance of lending agreement covenants with Nissan dealerships by performing due diligence reviews of financial statements. Responsibilities included:

- Conduct financial analysis of dealerships with new or existing wholesale accounts
- Identify undercapitalized and under-performing dealerships that present a potential risk to the company
- Communicate findings and recommend corrective actions for existing dealers or funding of wholesale credit to new dealers
- Conducts on-site analysis (due diligence review) of dealership's detailed financial information to verify accuracy and adherence to generally accepted accounting principles and the company's accounting standards for its wholesale dealers
- Report findings and comparative analysis of performance to company standards for review by commercial credit and field sales
- Provides expertise to periodic monitoring of financial performance and capitalization
- Identifies dealers operating in severely undercapitalized circumstances to closely monitor for significant improvement or negative changes in management or operations
- Notes under-performing areas and identifies potential for improved profitability and operating efficiencies
- Corresponds with under-performing dealerships to request a profitability and capitalization improvement plan
- Evaluates plans for reasonableness and expectations to ensure loan security
- Confer with other departments to ensure a seamless image of the company where cross-department concerns are addressed

Education **Millsaps College** Jackson, MS - BBA in Accounting

Certifications **Certified Public Accountant**