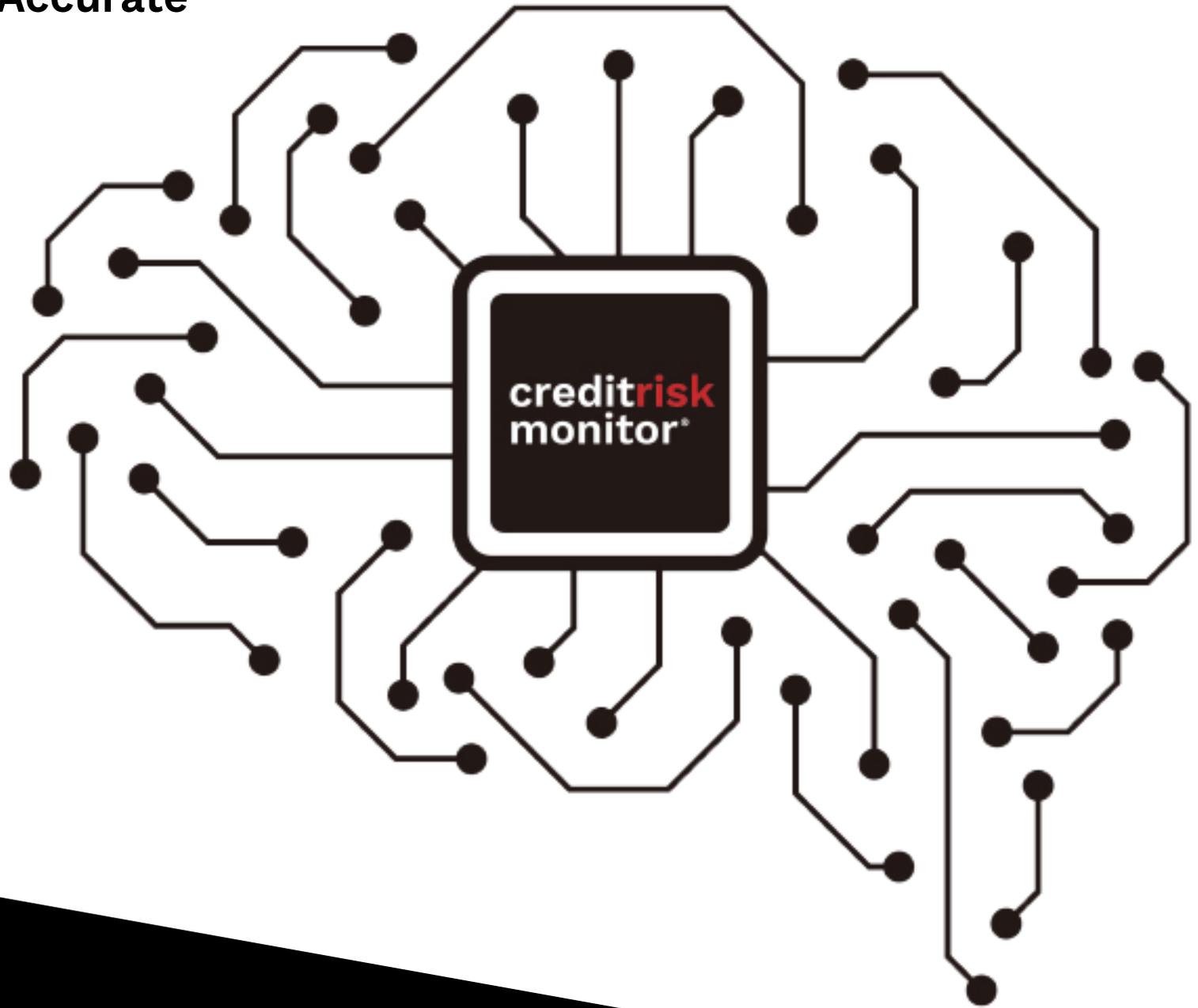


PAYCE® Score Predicts Recent Bankruptcies

Leveraging AI for Accurate
Private Company
Bankruptcy Risk
Assessment



January - March 2020

What is the PAYCE® Score?

The **PAYCE® score** provides a highly accurate measure of financial stress when no financial statements are available for private companies. It utilizes payment and U.S. federal tax lien data from CreditRiskMonitor's extensive database, analyzed with sophisticated deep neural network modeling technology, a type of artificial intelligence, to deliver a 70%+ accurate score on approximately 80,000 private companies.

70%



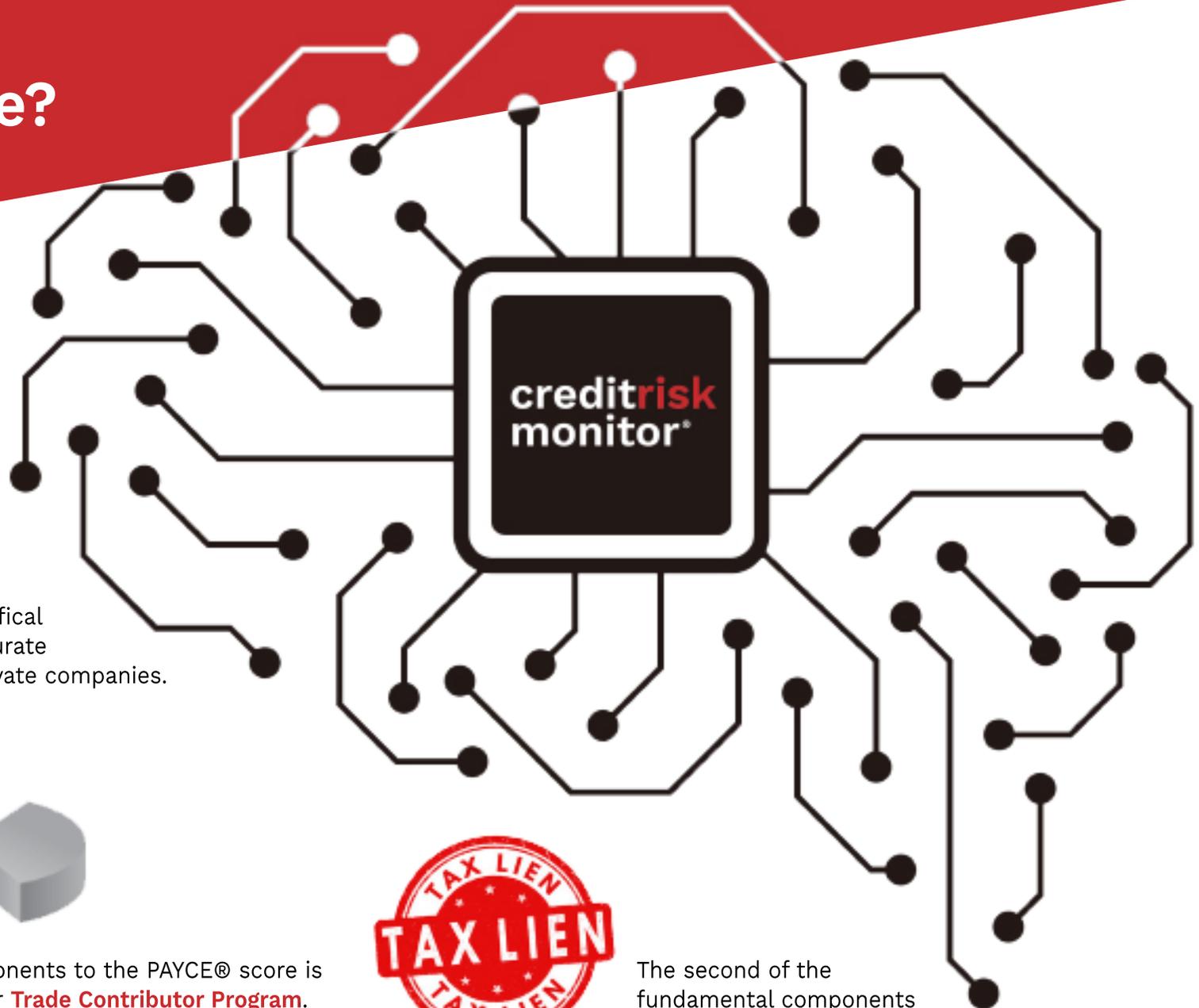
The first of the fundamental components to the PAYCE® score is payment data obtained through our **Trade Contributor Program**. Our network of trade contributors provides **more than \$2 trillion in trade data** on their counterparties every year, giving them visibility into their biggest dollar risks.

As our Trade Contributor Program grows, so will the number of PAYCE® scored businesses in our database - and the accuracy of the score will also ultimately improve in time.



The second of the fundamental components which make up the score is based on U.S. federal tax lien data.

The IRS goes to great lengths to negotiate terms with a company that has defaulted on its tax debt. When a federal tax lien is filed, this is often a signal there's a serious issue with the company's ability to pay its federal taxes.



PAYCE® SCORE PREDICTIONS OF U.S. PRIVATE COMPANY BANKRUPTCIES | JANUARY - MARCH 2020

RATE OF SUCCESS: 70% | Of 32 bankruptcies, 16 companies had a recent PAYCE® score prior to bankruptcy. We failed to warn 5 times.

BUSINESS NAME	COUNTRY	AVERAGE MONTHLY PAYCE® SCORE IN YEAR PRIOR TO BANKRUPTCY												PAYCE® AT FILING	BANKRUPTCY DATE
		-12 MOS.	-11	-10	-9	-8	-7	-6	-5	-4	-3	-2	-1 MO.		
WorldVu Development LLC	U.S.	5	4	3	7	6	6	5	4	4	3	3	3	3	3/27/2020
Miami Air International, Inc.	U.S.	7	6	6	7	8									3/24/2020
Mountain States Rosen LLC	U.S.	7	7	8	6	7	7	7	8	7	7	6			3/19/2020
Phoenix Products, Inc.	U.S.							1	1	1					3/18/2020
ZPower, LLC	U.S.	6	5	6	9	8	7	5	3	7	5	6			3/17/2020
KLS Air Express Inc.	U.S.	3	2	1	1	1	1	1	3						3/17/2020
System Solutions of Kentucky, LLC	U.S.	1	1	1	1	1	1								3/13/2020
Rochester Drug Cooperative, Inc.	U.S.	7	7	7	8	7	8	8	7	7	7	5			3/12/2020
Modell's Sporting Goods, Inc.	U.S.	5	5	5	6	6	6	4	7	7					3/11/2020
Strebor Specialties LLC	U.S.	2	3	3	3		2								3/10/2020
Sam Levin, Inc.	U.S.	6	5	6	6	5	5	6	5	5	6				3/8/2020
Simply Essentials LLC	U.S.	3	3	3	3	3	2	2	2	1	1	1			3/6/2020
Logan's Roadhouse, Inc.	U.S.	5	4	5	5	5									3/3/2020
Fifth Day Restaurants, LLC	U.S.	8	10	10	10	7	8	10	9						3/2/2020
Alpha Guardian	U.S.		5	4	3	2	1	2	2	2	2	2	2	2	2/24/2020
Cannon Safe, Inc.	U.S.	1	1	1	1	1	1	1		2	2	1			2/24/2020
Cascio Music Co. Inc.	U.S.	8	9	7	8	8	7								2/20/2020
Deco Enterprises, Inc.	U.S.	1	1	1	1	1	1	1	1	1	1	2	2	2	2/20/2020
East Coast Envelope & Graphics, LLC	U.S.	1	1	1	1	1	1	1	1	1	1	1			2/20/2020
Sturbridge Yankee Workshop Corporation	U.S.	3	2	2	2	3	4	2	3						2/14/2020

PROBABILITY OF BANKRUPTCY WITHIN 12 MONTHS (PAYCE® SCALE) **1 - 5** 50.00% - 1.69% **6 - 8** 1.69% - 0.55% **9 - 10** 0.55% - 0.00% PAYCE® Score Failed to Predict Bankruptcy

PAYCE[®] SCORE PREDICTIONS OF U.S. PRIVATE COMPANY BANKRUPTCIES | JANUARY - MARCH 2020

RATE OF SUCCESS: 70% | Of 32 bankruptcies, 16 companies had a recent PAYCE[®] score prior to bankruptcy. We failed to warn 5 times.

BUSINESS NAME	COUNTRY	AVERAGE MONTHLY PAYCE [®] SCORE IN YEAR PRIOR TO BANKRUPTCY												PAYCE [®] AT FILING	BANKRUPTCY DATE		
		-12 MOS.	-11	-10	-9	-8	-7	-6	-5	-4	-3	-2	-1 MO.				
Lumastream, Inc.	U.S.	3	3	4													2/5/2020
A.C. Furniture Company, Inc.	U.S.	5	5	5	3	3	2	2		3	3						2/3/2020
Polycel Structural Foam, Inc.	U.S.	2	1	1	1	1	1	1	1	1	1	1					2/3/2020
GenCanna Global USA, Inc.	U.S.			6	7	7	5	4	3	3	2	1	1	1			1/24/2020
Fairway Group Holdings Corp.	U.S.	7	6	5	8	6	6	6									1/23/2020
Rock Wool Manufacturing Company	U.S.	4	5	3	5	4	4	6	6		7	5	2	2			1/17/2020
USM Acquisition, LLC	U.S.	8	8	7	7	7	7	7	5	5	4	4					1/15/2020
Herbert J. Thomas Memorial Hospital Association	U.S.	2	2	2	2	2	2	2	3	2							1/10/2020
Trellem Franchise Holdings, Inc.	U.S.										4	3					1/10/2020
Nick's Pizza & Pub, Ltd.	U.S.	6	5	5	5	5	8										1/8/2020
Borden Dairy Company of Alabama, LLC	U.S.	7	6	6	6	3	3	4	6								1/5/2020
Borden Dairy Company of Ohio, LLC	U.S.				6	8	6	6	7								1/5/2020



Request a Demo

See our methods in action with a demo of our service. We can tailor a presentation which will show you what you can expect to see as a CreditRiskMonitor subscriber.

Contact us today for a demo and free trial.

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PROBABILITY OF BANKRUPTCY WITHIN 12 MONTHS (PAYCE[®] SCALE) **1 - 5** 50.00% - 1.69% **6 - 8** 1.69% - 0.55% **9 - 10** 0.55% - 0.00% **PAYCE[®] Score Failed to Predict Bankruptcy**