

## **PAYCE® Score Predicts Recent Bankruptcies**



**Leveraging AI  
for Accurate  
Private Company  
Bankruptcy Risk  
Assessment**

# **January - June 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%



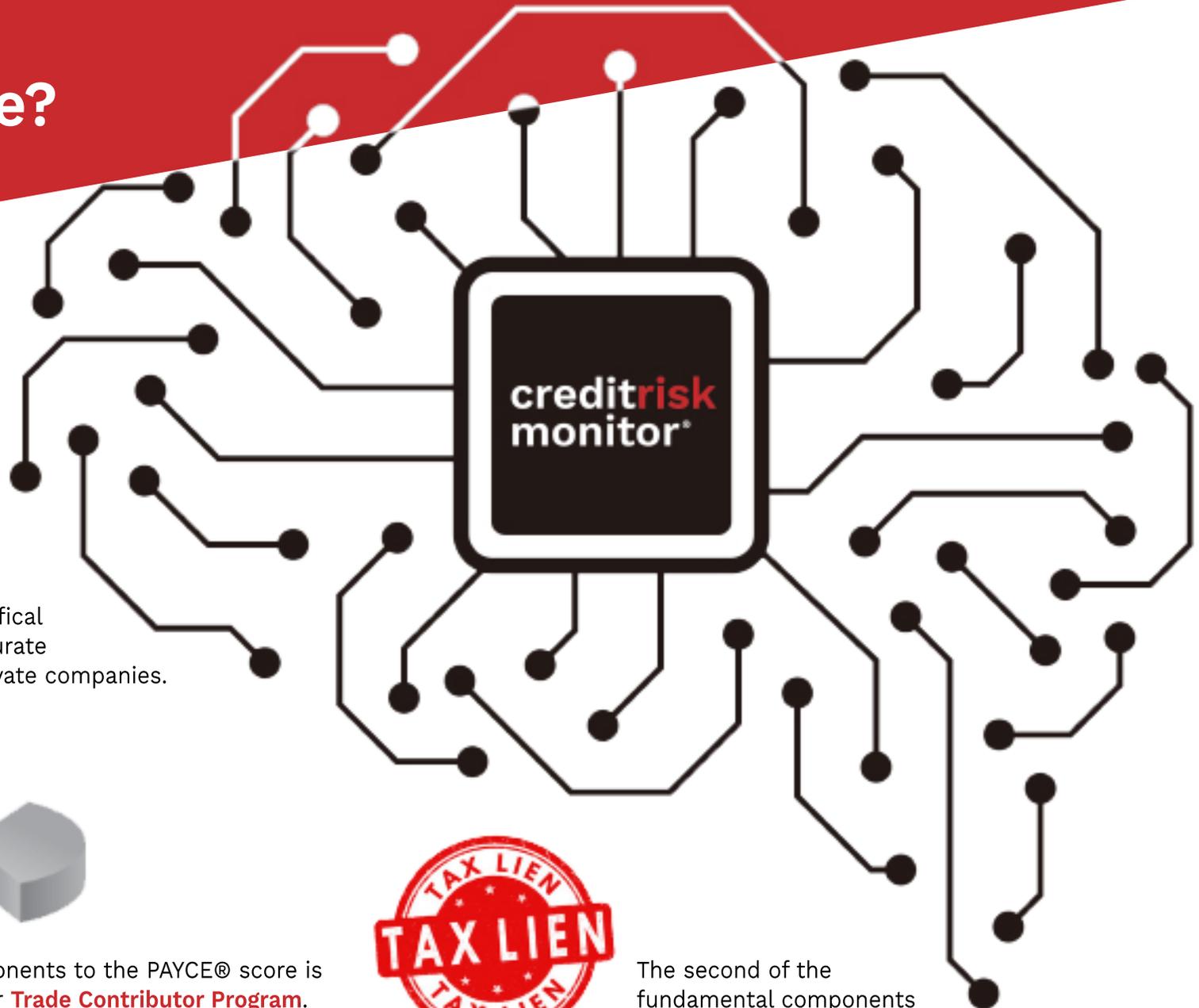
The first of the fundamental components to the PAYCE® score is payment data obtained through our **Trade Contributor Program**. Our network of trade contributors provides **more than \$2 trillion in trade data** on their counterparties every year, giving them visibility into their biggest dollar risks.

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. & CANADIAN PRIVATE COMPANY BANKRUPTCIES | JANUARY - JUNE 2020

**RATE OF SUCCESS: 80%** | Of 62 bankruptcies, 35 companies had a recent PAYCE® score prior to bankruptcy. We failed to warn 7 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.		
Ponderay Newsprint Company	U.S.	5	5	6	7	7	6	5	5	5	5	3	2	2	6/26/2020
Fibercorr Mills, LLC	U.S.	5	4	4	3	2	1	3	1	1	1	1		6/17/2020	
Metal Partners Rebar, LLC	U.S.	5												6/16/2020	
Proteus Digital Health, Inc.	U.S.	2	3	6	6	3	3	2	3	3	3	4		6/15/2020	
24 Hour Fitness USA, Inc.	U.S.	5	6	7	7	6	7	6						6/15/2020	
Quality Welding & Fabrication, Inc.	U.S.	2	1	1	1	1	1	1	1	1	1	1		6/11/2020	
Jack County Hospital District	U.S.	5	7	5	5	7	5	4	6					6/11/2020	
Qualis Automotive, L.L.C.	U.S.	6	6	5	7	7	5	4	5	4	3	2		6/3/2020	
SAIL Outdoors Inc.	Canada	7	7	7	8	7	7	5	6	5				6/2/2020	
C. & C. Wood Products Ltd	Canada	6	6	6	8	8	7	6	7	7	5	5		6/2/2020	
Fairn & Swanson, Inc.	U.S.	7	5	6	7	6	6	6	6	6	5	5		6/2/2020	
Bow River Energy Ltd.	Canada	6	4	7	6	5	4	4	5	4	3	2		6/1/2020	
Q'Max America, Inc.	U.S.							6	4	3	3	2		5/24/2020	
Proform Management, Inc.	Canada	4	4	5	4	3	4	4	3	3	3			5/11/2020	
KMCO, LLC	U.S.	4	3	3	2	2	1	1	1	1	1			5/8/2020	
Bergdorf Goodman Inc.	U.S.	3	5	3	3	3	5	5	5	4	4			5/7/2020	
Klausner Lumber One, LLC	U.S.	1												4/30/2020	
Superior Air Charter, LLC	U.S.	7	7	8	6	7	6	9	7		6			4/28/2020	
Dome Corporation of North America	U.S.	10	10			9								4/24/2020	
Elemental Processing, LLC	U.S.	3	2	3	3	3	3	2	1	1	1	2		4/20/2020	
The Northwest Company LLC	U.S.	1	2	2	1	1	2	2	3	2	2	1		4/18/2020	

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. & CANADIAN PRIVATE COMPANY BANKRUPTCIES | JANUARY - JUNE 2020

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Auric Solar, LLC	U.S.									7	5	5	3	3	4/17/2020
Longview Power, LLC	U.S.	8	7	8	8	7	9	7	7	7					4/14/2020
True Religion Apparel, Inc.	U.S.	4	6												4/13/2020
Global Web Finishing Holding Co. LLC	U.S.	3	2	2	2	1	1	1	1	2	2	1			4/9/2020
Apex Parks Group LLC	U.S.	9	8												4/8/2020
Sklar Exploration Company, LLC	U.S.	4	4	4	4	2	4	3	2	1	2	3			4/1/2020
WorldVu Development LLC	U.S.	5	4	3	7	6	6	5	4	4					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
KLS Air Express Inc.	U.S.	3	2	1	1	1	1	1	3						3/17/2020
ZPower, LLC	U.S.	6	5	6	9	8	7	5	3	7	5	6			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				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
Canadian Humalite International Inc	Canada					8									3/3/2020
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

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Cannon Safe, Inc.	U.S.	1	1	1	1	1	1	1		2	2	1			2/24/2020
Alpha Guardian	U.S.		5	4	3	2	1	2	2	2	2	2	2	2	2/24/2020
East Coast Envelope & Graphics, LLC	U.S.	1	1	1	1	1	1	1	1	1	1	1			2/20/2020
Deco Enterprises, Inc.	U.S.	1	1	1	1	1	1	1	1	1	1	2	2	2	2/20/2020
Cascio Music Co. Inc.	U.S.	8	9	7	8	8	7								2/20/2020
Sturbridge Yankee Workshop Corporation	U.S.	3	2	2	2	3	4	2	3						2/14/2020
Tri-Ag Implements Ltd.	Canada			5	5	5	5	6	5	7	7	5			2/10/2020
Lumastream, Inc.	U.S.	3	3	4											2/5/2020
Polycel Structural Foam, Inc.	U.S.	2	1	1	1	1	1	1	1	1	1	1			2/3/2020
A.C. Furniture Company, Inc.	U.S.	5	5	5	3	3	2	2		3	3				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
Sle-Co Plastics, Inc.	Canada	3	4	4	4	3	3	3	2		3	3	2	2	1/17/2020
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
Trellem Franchise Holdings, Inc.	U.S.										4	3			1/10/2020
Herbert J. Thomas Memorial Hospital Association	U.S.	2	2	2	2	2									1/10/2020
Nick's Pizza & Pub, Ltd.	U.S.	6	5	5	5	5	8								1/8/2020
Borden Dairy Company of Ohio, LLC	U.S.				6	8	6	6	7						1/5/2020
Borden Dairy Company of Alabama, LLC	U.S.	7	6	6	6	3	3	4	6						1/5/2020

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