Presentation Topics

- Introduction
- Setting up the negotiations
- Understanding default risk
- Minimizing default risk
- Minimizing the consequences of default
- Post-closing negotiations
- Q&A
- About Debt Compliance Services
Introduction

- Too often, borrowers focus their negotiating on just maintaining the term sheet

- **However, default risk increases significantly by year 3**, when the glossed-over covenants can lead to covenant violations and:
  - Waiver fees
  - More onerous covenants
  - Higher spreads and rates
  - Lower stock price

- **Your primary negotiating objective must be to minimize the probability of a default over the life of the agreement**
  - Maintain lender confidence and goodwill by being upfront about your issues
  - **If** you do your homework, your lenders will help you
  - Debt compliance begins with the negotiations
Minimizing Long-Term Default Risk

- Negotiating a realistic covenant package requires understanding:
  - The impact of similar covenants in your other debt
  - Your operating risks by covenant
  - Your ability to comply

- You need to know the compliance realities for departments outside Treasury, such as Legal, Accounting, Operations, EH&S, HR, etc.
  - Particularly their willingness to monitor, report and forecast covenant occurrences in their areas of responsibility

- If they cannot adequately comply, then be upfront with your lenders
  - Never agree to something you don't think you can do
Presentation Topics

- Introduction
- **Setting up the negotiations**
- Understanding default risk
- Minimizing default risk
- Minimizing the consequences of default
- Post-closing negotiations
- Q&A
- About Debt Compliance Services
Outside Resources

You negotiate debt agreements against professionals who have the best lawyers your money can buy, so even the odds by:

- Insisting that your outside counsel is a top 10 national law firm
- Subscribing to Thompson/Reuters’ LoanConnector*
  - See a demo to find out where your lenders go for market pricing, financial covenants, sign up for deals, etc.

* [https://www.loanpricing.com/products/loanconnectordealscan/](https://www.loanpricing.com/products/loanconnectordealscan/)
Structuring the Deal Team

- Assign negotiating responsibilities between Treasury and Legal
- Treasury’s responsibilities should include:
  - Overall deal structure
  - Rates, fees and financial ratio realities
  - Restrictions on the business operations
  - Basket limits vis-à-vis business requirements
  - Timing of reporting, notices, and cure periods
- Legal should be responsible for:
  - Overall agreement wording
  - Events of Default, Reps & Warranties, Conditions for Closing, Indemnities, and other ancillary transaction documents
- Treasury and Legal are both responsible for a Depositary Agreement
Use a Deal Document

- The first thing your lender’s lawyers will do is read your other existing agreements and highlight the critical covenants.
- A deal document helps you maintain your priorities by
  - Tracking the progress of your negotiations
  - Showing how your new debt’s conditions compare with existing debt
- An effective deal document has four major sections:
  - Changes from the accepted term sheet
  - Comparison of the new debt’s major covenants, defined terms, knowledge, notice, thresholds, limits, etc. against comparable terms in your existing debt and, if applicable, the debt that is being refinanced
  - Listing of the closing conditions, closing reps and warranties, continuing reps and warranties, and post-closing covenants
  - Analysis of your financial ratios against scenarios and stress testing.
- It can be easily edited to explain the deal to your CFO, CEO, and Board.
- See attached DCS Deal Document.docx
Presentation Topics

- Introduction
- Setting up the negotiations
- **Understanding default risk**
- Minimizing default risk
- Minimizing the consequences of default
- The Deal Document
- Post-closing negotiations
- Q&A
- About Debt Compliance Services
Default Risk is Large and Underestimated

- Sources: S&P’s 2017 Default & Ratings Transition Study showing how ratings change after 3 and 5 years, and DCS’s 2015 Benchmarking Study asking companies to estimate the 5 year default rate of companies with their rating.
Three Different Default Risks

- Cash flow and adverse event risks are best managed in your negotiations as they are inherently beyond treasury’s ability to avoid after they are negotiated

**Cash Flow Defaults**
- Broken ratios
- Missed payments

**Event Defaults**
- Material Adverse Events

- Technical default are all other covenants. **Technical default risk is 100% controllable: there’s no excuse for a technical default**

**Technical Defaults**
- Failure to report an event
- Permitted baskets
- Cross default on the related ancillary documents
- Continuing reps and warranties

**Technical Defaults (cont’d)**
- Invalidity of collateral, liens and other security documents
- Affirmative covenants
- Negative covenants
- Compliance reporting
Presentation Topics

- Introduction
- Setting up the negotiations
- Understanding default risk
- **Minimizing default risk**
- Minimizing the consequences of default
- The Deal Document
- Post-closing negotiations
- Q&A
- About Debt Compliance Services
Minimizing Cash Flow Default Risk

- Do not just haircut FP&A forecasts or the earnings guidance
- Instead, have FP&A develop 3 long-term P&L and cash flow scenarios assuming an industry downturn, a company downturn, and a conservatively optimistic one
- Apply these scenarios against your ratios and:
  - Negotiate carve-outs to your EBITDA, Indebtedness, etc. ratio definitions to minimize breaking them
  - Stress-test them to see how much leeway you have
- If payments are a risk, apply these scenarios against all of your agreements’ P&I payments
Minimizing Event Default Risk

- Event risk comes in two flavors:
  - The event is a MAE that by definition is an Event of Default
  - Where the failure to report an event is an Event of Default
- Manage MAE risk by negotiating the tightest MAE definition you can
- After “knowledge” of the event occurs, notice is required within a specified time period, so negotiate for:
  - The actual knowledge of a senior officer rather than the date the event actually happens
- “Notice” to be done “promptly” vs. 3-5 business (not calendar) days
- For an EoD event, the cure period clock starts after notice
- Can your SME’s do the event monitoring, reporting and forecasting?
Minimizing Technical Default Risk

The specific language of any covenant must reflect the reality of the company’s capabilities and financial situation.

1. If a company cannot properly communicate its capabilities and financial situation, then the covenant is more likely to be violated.

2. Defined terms, such as Cash, Indebtedness, Net Income, EBITDA, etc., must be carefully crafted to reflect the company’s likely future reality.

3. Similarly, thresholds and permitted basket limits need to provide the company sufficient flexibility but still provide lenders the comfort they need as the company changes its credit profile.

4. Clarify covenants that are ambiguous or complex.

5. **Covenant wording and requirements must always be compared to the other agreements.**
Critical Defined Terms

These defined terms are critical to managing your long-term compliance:

- **Permitted definitions:** Permitted Indebtedness, Liens, Investments, etc. provide a list of exceptions to prohibited activities
  - Negotiate enough exceptions to minimize needing consent for the likely volume of activity
- **Various Accounting Terms:** EBITDA, Indebtedness, Net Income, etc. often include negotiated carve-outs that may differ across agreements
  - Test definitions to make sure that you achieve the desired result
- **Restricted Payments:** This definition usually covers dividends, interco advances, fees and payments to subordinated indebtedness
- **Compare:** Compare all similar definitions with other agreements
Permitted Baskets

- Most negative covenants are accompanied by exceptions that can include lists of scheduled existing items, routine or required transactions, etc.
- Defined terms such as indebtedness, L/Cs, liens, investments, etc. will have exceptions with a dollar limit (a permitted basket)
- Unlike thresholds, a permitted basket limit is usually aggregated over the life of the agreement, can be very detailed, and can impact other baskets
- Negotiating these limits must reflect a compromise between the lender’s need to have a say in future expanded activities and the borrower’s ability to freely manage day-to-day business
- Can you setup the necessary processes to accurately monitor, manage and report on your basket and sub-basket items?
Thresholds

- Thresholds are used throughout the agreement, such as:
  - Notices
  - Judgments
  - Cross default
  - ERISA events
  - Environmental events
- Unlike permitted basket limits, thresholds are usually one-time events and are not aggregated
- Compare comparable thresholds in other agreements
Presentation Topics

- Introduction
- Setting up the negotiations
- Understanding default risk
- Minimizing default risk
- Minimizing the consequences of default
- Post-closing negotiations
- Q&A
- About Debt Compliance Services
Events of Default

Understand how your covenants’ cure periods are identified in the first six or so Events of Default sections:

<table>
<thead>
<tr>
<th>Senior Credit Facility Event of Default Clauses</th>
<th>Cure Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Principal payments, including Mandatory Prepayments</td>
<td>0-1 Days</td>
</tr>
<tr>
<td>2. Interest, fee and other required payments</td>
<td>0-3 Days</td>
</tr>
<tr>
<td>3. Reps &amp; Warranties and incorrect reports, certificates, financial statements and other documents furnished</td>
<td>0 Days</td>
</tr>
<tr>
<td>4. Specifically identified covenants, such as maintenance, negative, reporting and notifications</td>
<td>0-5 Days</td>
</tr>
<tr>
<td>5. Invalidity of Credit or Security/Collateral Agreements</td>
<td>0 Days</td>
</tr>
<tr>
<td>6. All other covenants in a catch-all phrasing, which includes the affirmative covenants</td>
<td>30 – 60 Days</td>
</tr>
</tbody>
</table>
The Remaining EoDs are Covenants

They deal with specific events that do not appear elsewhere in the agreement and must be carefully negotiated:

**Other Events of Default are:**
- Cross default
- Cross acceleration
- Guarantors’ default
- Voluntary/involuntary bankruptcy/insolvency
- Change of Control

**Other Events of Defaults include:**
- Judgments
- Cancellation of Material Contracts
- ERISA Events
- Governmental Actions
- Revocation of Licenses

**Cure Periods**
- Varies by specific default event, typically 0-5 or 10 **business** days
Cure Periods

Cure Periods reflect the relative importance that the lender attaches to a particular covenant

- Clarify how “knowledge and notice” determines when an EoD actually begins
- If an EoD does not specify a cure period then it is zero days
- Negotiate increasing the Cure Period for each covenant
  – Try to increase zero day cure periods by at least one day
  – All short cure periods should be expressed as “Business Days”
- Compare the knowledge, notice, and cure periods against similar EoDs in your other agreements
Amendments and Waivers

- Amendments and waivers are typically approved in three ways:
  1. The agent can unilaterally approve amendments reflecting corrections in wording and other minor issues
  2. A simple majority of the lenders, based on their dollar commitment, are required for amendments and waivers for breaches of covenants that are not considered critical
  3. A super majority (67%) is required for changes in the maintenance ratios, pricing and other serious covenant issues

- The company should attempt to negotiate as many of the covenants to either an agent acting unilaterally or to a simple majority
  - Your agent is your best friend, some of the other lenders, not so much
Presentation Topics

- Introduction
- Setting up the negotiations
- Understanding default risk
- Minimizing default risk
- Minimizing the consequences of default
- Post-closing negotiations
- About Debt Compliance Services
Post-Closing Negotiations

- Negotiations do not stop with the closing because technical defaults can occur due to a misinterpretation of a covenant.

- Interpretation issues arise from:
  - How exactly a covenant can be complied with
  - Poor, ambiguous or complicated wording
  - New situations not foreseen in the agreement

- When interpretations are agreed with your lenders, have them document the understanding with an email or letter
  - Saved and shared among Treasury and Legal

- Continue to maintain lender confidence and goodwill by being upfront about covenant issues
  - The objective always should be to not surprise your lenders
  - And your CFO
Presentation Topics

- Introduction
- Setting up the negotiations
- Understanding default risk
- Minimizing default risk
- Minimizing the default consequences
- Post-closing negotiations
- Q&A
- About Debt Compliance Services
Presentation Topics

- Introduction
- Setting up the negotiations
- Understanding default risk
- Minimizing default risk
- Minimizing the default consequences
- Post-closing negotiations
- Q&A

About Debt Compliance Services
DCS’ Value Proposition

- With its reputation, funding, GAAP, and SOX risks, minimizing default risk is an enterprise risk and a core treasury responsibility that requires a rigorous compliance process.
- We provide a comprehensive, best-in-class, risk-based, automated debt compliance process in the cloud that minimizes default risk.
- We identify the at-risk covenants that must be managed quarterly or annually or when triggered by events vs. minimal or no risk covenants.
- Our integrated, risk-based web questionnaires train the subject matter experts on their covenant risks and their responsibilities.
- Our web calendar process ensures that all fixed deliverables are completed on time.
- No corporate has the resources to duplicate our risk evaluation and automation.
- Our implementation fees can be capitalized and amortized.
The Human Side of Debt Compliance

- With few tools and little corporate-wide support, debt compliance can be the worst job in treasury.
- It’s demoralizing to have the responsibility for mistakes that can have grave consequences to the company and your career that you can do little to prevent or manage.
- Our complete, automated, risk-based process makes the quarterly compliance simpler and easier:
  - Transition risk to a new manager is low
  - It becomes a desirable rotating position because it teaches covenant risk, a critical skill for negotiating successful debt agreements.
The DCS Covenant Manager℠ Solution

DCS Compliance Manager℠: A quarterly web questionnaire process on only the truly at-risk covenants that must be managed quarterly. The Compliance Team evaluates the responses indicating a covenant issue against the linked webpage covenant text.

DCS Debt Manager℠: Debt agreements converted to webpages with linked defined terms and section references, page commenting, and file attaching. Multi-agreement contextual searching. A comprehensive, multi-agreement, risk-based, linked covenant checklist. A consolidated, linked permitted baskets analysis.

DCS Calendar Manager℠: A web-calendar process for ensuring that all debt deliverables are done by the required business day over the life of the debt. Tasks are assigned to owners with overdue and other email notifications to their managers and senior managers.
DCS’ Lender Objective Methodology Facilitates Identifying Controlling & Subordinate Covenants

- Maintain Security & Collateral
  - Guarantees
  - Further Assurances
- Preserve Assets & Business
  - Securing New Assets & Subsidiaries
  - Springing Liens
  - Continuing Reps & Warranties
  - Other Restricted Transactions
- Minimize Third Party Claims
  - No Asset & No A/R Sales
  - Subordinated Debt & Anti-Layering
  - Cross-Default & Cross-Acceleration
  - Compliance with Laws & Regulations
  - Material Contracts
- Allow Specific Limited Claims
  - Indebtedness
  - Letters of Credit
  - Liens
  - Sales and Leasebacks, etc.

- Make Payments
  - Principal, Interest & Fees
  - Make Whole Payments
- Meet Benchmarks
  - Mandatory Prepayments
  - Voluntary Prepayments
  - Maintenance Financial Ratios
  - Incurrence Financial Ratios
- Report Results
  - Financials, Ratios & Certifications
  - Weekly/Monthly ABL Reports
  - AR, AP & Other Financial Schedules
- Report Material Events
  - Events of Default
  - Change of Control
  - Asset Sales & Claim Proceeds
  - Many Others
Categorizing Covenant Types by Risk and Compliance Frequency

- **Minimal Risk Inactive Questionnaires**
  - Boilerplate Covenants
  - Lender Requests
  - Borrower Initiatives

- **Low Risk Annual Questionnaires**
  - Unlikely Covenants
  - GAAP Books, etc.
  - Borrower Admin Requirements
  - Note Registration, etc.

- **High Risk Quarterly Questionnaires**
  - Financial Ratios
  - Controlling Covenants
  - Duplicative & Subordinated
  - Independent Covenants
  - Permitted Baskets
  - Dependent Covenants
  - Remaining Unique Covenants

**Covenant Risk & Questionnaire Frequency**
Converting Covenants ...

Article 6
Each Loan Party covenants and agrees that, until termination of all of the Commitments and payment in full of the Obligations, the Loan Parties will not and will not permit any of their Restricted Subsidiaries to do any of the following:

Section 6.7
Enter into or permit to exist any encumbrance or restriction that (a) limits the ability (i) of any Subsidiary to make Restricted Payments to any Loan Party or to otherwise transfer property to or invest in any Loan Party, (ii) of any Subsidiary to guarantee the Indebtedness of any Loan Party or (iii) of Parent or any Subsidiary to create, incur, assume or suffer to exist Liens on property of such Person; provided, that, this clause (iii) shall not prohibit any negative pledge incurred or provided in favor of any holder of Permitted Purchase Money Indebtedness solely to the extent any such negative pledge relates to the property financed by or the subject of such Indebtedness; or (b) requires the grant of a Lien to secure an obligation of such Person if a Lien is granted to secure another obligation of such Person; provided, that, this Section 6.7 shall not prohibit (i) restrictions contained in any agreement in effect (A) (1) on the date hereof and set forth on Schedule 6.7 and (2) to the extent the restrictions permitted by clause (1) are set forth in an agreement evidencing Indebtedness, are set forth in any agreement evidencing any Refinancing Indebtedness in respect of such Indebtedness so long as such renewal, extension or refinancing does not expand the scope of the restrictions described in clause (a) or (b) that are contained in such agreement or (B) at the time any Subsidiary becomes a Subsidiary of Parent, so long as such agreement was not entered into solely in contemplation of such Person becoming a Subsidiary of Parent, (ii) restrictions that are binding on a Restricted Subsidiary at the time such Subsidiary first becomes a Restricted Subsidiary, so long as such restriction was not entered into in contemplation of such Person becoming a Restricted Subsidiary, (iii) restrictions that arise in connection with any Permitted Disposition, (iv) are customary provisions in joint venture agreements and other similar agreements applicable to joint ventures constituting Permitted Investments, (v) any restrictions imposed by any agreement related to Indebtedness constituting Permitted Indebtedness under clause (r) of the definition of such term or Refinancing Indebtedness with respect thereto, to the extent such restrictions are not more restrictive, taken as a whole, than the restrictions contained in this Agreement and in any event permit Liens on the Collateral to secure the Obligations, (vi) are customary restrictions on leases, subleases, licenses or asset sale agreements otherwise permitted hereby so long as such restrictions may relate to the assets subject thereto, (vii) comprise restrictions or Liens imposed by any agreement relating to Permitted Purchase Money Indebtedness to the extent that such restrictions apply only to the property or assets securing such Indebtedness or (viii) are customary provisions restricting subletting or assignment of any lease governing a leasehold interest.

Color Key:
Chartreuse = Identifies the party or parties governed by the covenant
Orange = Preamble to each question that is the same
Red, Blue, Green and Light Blue = With the preamble to the questions identifies the specific action being restricted
Maroon = Lists all of the exceptions to the restricted action. (Not necessary to include with questions. Responsibility of compliance manager to determine if an exception fits in any restricted action.)
... into easy-to-answer questions about actions

**Question #1:** Have any of the Loan Parties or any of their Restricted Subsidiaries entered into or permitted to exist any encumbrance or restriction that limits the ability of any Subsidiary to make Restricted Payments to any Loan Party or to otherwise transfer property to or invest in any Loan Party?

**Question #2:** Have any of the Loan Parties or any of their Restricted Subsidiaries entered into or permitted to exist any encumbrance or restriction that limits the ability of any Subsidiary to guarantee the Indebtedness of any Loan Party?

**Question #3:** Have any of the Loan Parties or any of their Restricted Subsidiaries entered into or permitted to exist any encumbrance or restriction that limits the ability of Parent or any Subsidiary to create, incur, assume or suffer to exist Liens on property of such Person?

**Question #4:** Have any of the Loan Parties or any of their Restricted Subsidiaries entered into or permitted to exist any encumbrance or restriction that requires the grant of a Lien to secure an obligation of such Person if a Lien is granted to secure another obligation of such Person?

All questions are made up of phrases from various parts of the covenant section. It is essential to analyze each covenant section to properly identify each component part. Questions contain much of the wording contained in the covenant section, however, elimination unnecessary legalese and simplification is a goal.
DCS’ Risk-Based Covenant Analysis & Automation

Develop Web Covenant Checklist by Lender Objective
- Retain Collateral & Security
- Maintain Assets & Business
- Minimize Third Party Claims
- Permit Limited Claims
- Make Payments
- Meet Benchmarks
- Report Compliance
- Report Material Events
- Lender Requests & Borrower Administration

Segment Web Covenant Checklist by Type and by Risk
- Permitted Baskets Covensants
- Calendar Covensants
- Not Applicable Boilerplate Covensants
- Unlikely Covensants
- Linked Dependent Covensants
- Independent, Unique & Controlling Covensants
- Linked Duplicative & Subordinated Covensants

Automate Debt Compliance Process at DCS Website
- Permitted Baskets Analysis
- Web Debt Calendar
- Inactive or Annual Web Questionnaires
- Dependent Questions Activated by Independent Questions
- Quarterly Web Questionnaires Answered by SMEs
- Dup./Subord. Questions Activated by Controlling Questions
## Debt Compliance Matrix Analysis

<table>
<thead>
<tr>
<th>Process</th>
<th>Little to None</th>
<th>Somewhat Adequate</th>
<th>Better</th>
<th>Best-in-Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance Management</td>
<td>No policy, no written procedures. Treasury 100% responsible.</td>
<td>Written procedures. Largely Treasury with some Legal.</td>
<td>SOX driven. Legal and non-Treasury SMEs involved.</td>
<td>Corporate policy with objectives and assigned responsibilities to Treasury and many non-Treasury SMEs.</td>
</tr>
<tr>
<td>Debt Agreement Management</td>
<td>Incomplete set of debt agreements. Many not analyzed.</td>
<td>Hard copies of major debt agreements collected.</td>
<td>All agreements in one location. Searching by individual agreement.</td>
<td>All unique agreements are web pages with commenting and multi-agreement contextual searching.</td>
</tr>
<tr>
<td>Covenant Knowledge</td>
<td>No covenant checklist. Sticky notes and marked pages.</td>
<td>Excel checklist of the senior debt's major covenants.</td>
<td>Excel checklist of the major covenants of the major agreements.</td>
<td>Risk-based, web covenant checklist of all unique debt agreements, linked to their covenant text.</td>
</tr>
<tr>
<td>Quarterly Compliance Review</td>
<td>Undocumented agreement review.</td>
<td>Undocumented review of checklist.</td>
<td>Paper questionnaires with questions or covenant text for interpreting compliance</td>
<td>Risk-based, web questionnaires with issue evaluation and audit trail reporting.</td>
</tr>
<tr>
<td>Required Deliverables</td>
<td>No list of due dates Personal Excel or Outlook calendars.</td>
<td>Monthly &amp; quarterly calculations</td>
<td>Department calendar of all deliverables in Excel.</td>
<td>Web calendar process with tasks assigned to owners and managers</td>
</tr>
<tr>
<td>Ratios &amp; Baskets*</td>
<td>Quarterly calculations</td>
<td>Monthly &amp; quarterly calculations</td>
<td>Monthly/quarterly calcs with stress testing</td>
<td>Monthly/quarterly calcs, stressing and forecasting</td>
</tr>
</tbody>
</table>

*Progression assumes that there is ratio and basket breakage risk that needs to be managed.*
History

- Now in its 8th year, DCS is a joint venture between Greenwich Treasury Advisors and Corporate Finance Solutions
- Jim Simpson founded Corporate Finance Solutions in 2002
  - A 35-year career leading over $4 bn in convertibles, high yield bonds, revolvers, term loans, and ABLs
  - CFO of Moore Medical (public, $300M sales) and CS Brooks (private, $200M sales), and Treasurer of Sandoz USA (now Novartis)
- Jeff Wallace founded Greenwich Treasury Advisors in 1992
  - Recognized expert in risk management and international treasury
  - VP-International Treasury at American Express, AT at both Seagram and D&B, and a CPA at Price Waterhouse
We have over 30 clients, ranging from large public to private middle market companies:

- A power generator with $25B in debt and over 40 project financings
- A utility with $21B in debt with 8 project financings
- RES Americas, a renewable energy company with 3 project financings
- A midWest utility with $8.5B in debt with three separate holding companies debt
- Municipal Authority of Georgia, with $6B in debt
- Two water company utilities with holding company and sub company debt
- A $6B pharmaceutical with $10B in debt
- Henry Schein, an $8B global multinational
- PolyOne, a $4B industrial manufacturer
- Church & Dwight, a $3.3 billion consumer products company
- Hyster-Yale, a $2B industrial
- A Big 4 audit firm
Client Testimonials

“You have a best-in-class debt compliance process,” reported the lead manager of a Big 4 audit of the company’s debt compliance to the treasurer of a client that is one of the five largest US utilities.

“Actavis is one of the world’s leading generic pharmaceutical companies, operating in 50 countries across the globe. We chose Debt Compliance Services to assist us in designing a comprehensive debt compliance process to meet the reporting requirements of our complex external financing arrangements. We are impressed with the sophistication of their debt compliance services and the professionalism and responsiveness of their ongoing support. DCS’ unique global web questionnaire system has enabled our key business stakeholders to better understand our ongoing obligations and resulted in an efficient way to manage the substantial information flow generated by our large and complex business. We now have a clear overview of what is going on in the Group without having to spend too much time and resources in the attempt. We highly recommend DCS’ professionalism and services.”
—Gudjon Gustafsson, Group Treasurer, Actavis Group

“Debt Compliance Services’ tools reduce my risk, save me and my team time and effort, and have made our compliance reporting easy. Gone are the days when we would have to pull out our old, worn loan documents to review all of the various covenants and restrictions before making critical strategic business decisions. With DCS, reviewing our agreements is literally done with a few clicks of the mouse.”
—Christine Sacco, Chief Financial Officer & Treasurer, Smart Balance, Inc.
DCS Publications

2. “No Doubt, FASB’s new rules forces firms to disclose going concern doubts”, *AFP Exchange*, October 2014
3. “Coming Due, Treasurers must be wary of today’s easy covenants”, *AFP Exchange*, September 2014
5. “Pure Speculation: Treasurers of Non-Investment Grade Companies Must Reduce Covenant Risk”, *AFP Exchange*, June 2013
6. In collaboration with the AFP, the *AFP Debt Compliance Survey*, January 2013
Contact Information

- For more information, please contact:

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jim Simpson</td>
<td>(203) 329-7491</td>
<td><a href="mailto:jim.simpson@debtcompliance.com">jim.simpson@debtcompliance.com</a></td>
</tr>
<tr>
<td>Jeff Wallace</td>
<td>(303) 442-4433</td>
<td><a href="mailto:jeff.wallace@debtcompliance.com">jeff.wallace@debtcompliance.com</a></td>
</tr>
</tbody>
</table>

- Visit our website at www.debtcompliance.com