

List of Services included with Consultation Contract

Current Credit Procedures and Performance Evaluation*

We will evaluate the credit and collections procedures of your credit department along with an overview of the health of your receivables. In addition, we will evaluate the knowledge level of your current credit staff in critical areas of credit management (assuming you have a credit staff). Along with this evaluation, we will make suggested changes in procedures as may be needed.

Credit Review Process

We will review orders as requested (regardless of size of order) and suggest the best way to ship your product as it relates to the customer's credit worthiness. If recommended and upon your agreement, we will prepare the necessary documents for orders that require security prior to shipment. Enhanced procedures may include any one of the following suggestions:

- **Pre-authorized credit card security**
- **Escrow account**
- **Direct bill (where applicable)**
- **Irrevocable Stand-by Letter of Credit (Domestic and International)**
- **Irrevocable Letter of Credit (Domestic and International)**
- **Partial prepay**
- **Interest-bearing pre-pay (on very large and extended orders)**
- **Shipment on a secured basis through a Purchase Money Security Agreement (PMSA) or a Blanket Security Agreement (see legal documents).**

Collections

Working with your Customer - We will collect any size account as directed and will take extra care to maintain the relationship between you and your customer. We will work diligently to rehabilitate the customer, if they are habitual slow pay, and even suggest assistance to help them with their collection problems. If we see areas of opportunities to improve your relationship with your customer and increase sales, we will work to that end; keeping you informed along the way.

Maintaining Relationships - If your customer is one of high sales volume and is a major portion of your sales portfolio, we will take the necessary steps to make this account bankrupt proof. There are certain steps we can take to preempt a trustee from filing a preference action against your company in the event your customer files bankruptcy. Furthermore, we will make suggestions and actually file (upon your approval) security documents, which in the event of bankruptcy would make you a secured creditor. (See documents and legal)

Complete Analysis of your Customer - If through our collection efforts we find your customer is a greater risk than you recognized, we will recommend the proper credit availability and or security level for that customer. We will also handle all demand letters you request and will customize each letter in relation to that account. All conversations will be documented for your records and maintained in the event collection or litigation may become necessary.

* The depth and detail of this analysis will depend on the contract signed.

Legal Issues & Documents

Bankruptcy Proof of Claims and Follow Through - Often time's companies make the mistake of not filing a proof of claim when they receive a bankruptcy notice. This is especially true if the company is an unsecured creditor. In most cases, the bankruptcy trustee will indicate there are "no assets" and instruct you not to file. Remember, the trustee is making a percentage of what is recovered in the liquidation of assets. In all cases, we can and will file a proof of claim and monitor the bankruptcy for you. Additionally, we will evaluate what type of proof of claim to file (unsecured, secured, priority, etc). When appropriate and applicable, we will file reclamation of goods to help minimize your losses. Many companies do not realize they can file reclamation of goods within a certain period of the filing of bankruptcy.

Purchase Money and Blanket Securities - We will determine if your product is such that a specialized security arrangement may be filed. We will also file any type of Blanket Security and in some cases; file a Security Interest in your customer's receivables. Many companies do not know how to file Security Interest or which documents are the right documents for filing. We will guaranty that any filings made will be done so timely and accurately.

Professional Collection Efforts - If your customers account is placed for collection, we will negotiate the best collection rate for your company. The rates we are able to obtain are below most industry averages. We will prepare the account for collection, from the letters of collection to the demand letter, to preparation of the documents to be sent to the collection agency. If your account is to be placed with an attorney, we will make sure the attorney's rates are at or below the CLL (Commercial Law League standards and, we will work with the attorney on all follow up and follow through on the account. Too often, there is a lack of follow through on the part of the attorney who is working the case and the account is "lost" or forgotten.

Preference Actions -If your company is pursued by a bankruptcy trustee or an attorney for a creditor's committee for the cause of preference, we will evaluate whether or not you have any opportunity for a defense. If we believe a defense can be made, we will work to prepare a defense for you including expert testimony, if called upon. **

Personal Guarantees' - We will develop a customized personal guaranty for your customer to complete and sign along with an analysis of the personal financials that accompany the guaranty. Based upon the personal financials we review, we will suggest the available credit for that particular customer.

Other Legal issues that may arise - As they arise and if they are within the scope of our legal experience, we will evaluate all legal credit matters. If we feel we do not have the expertise necessary for that particular situation, we will find the appropriate attorney who is specialized in that particular area of law. Companies sometimes err in selecting either corporate counsel or a friend or acquaintance who is an attorney. We will make sure that if an attorney is needed, it will be the right one for that circumstance. We can and will provide any customer designed credit application as part of our service.

Discount or Rebate Programs - If you offer any type of discount program or rebate program for your customers, we will look at the program and make sure that it is being used at its optimum benefit for you. We have developed a unique rebate program that generates the following:

- **New sales based upon the amount of rebate.**
- **Rebate based upon the amount of sales.**
- **Immediate reduction in bad debt exposure.**
- **Day's Sales Outstanding (DSO) reduced by as much as 20 days, with an immediate increase in cash flow.**
- **One-hundred percent (100%) guaranty that rebate/discount will not be abused. Most payments made within ten to fifteen days from date of invoice.**

** Preference work outside of usage contract requires a separate contract.

Credit Group Participation

Some companies would like to belong to a national credit group representing their industry (i.e., UPIC Credit group for the Promotional Products Industry), but due to reasons such as time to allow the credit representative to attend, costs constraints and/or time, they are unable to do so. We will act as your liaison for these groups and attend the meetings (where allowed by by-laws) and provide a detailed report of the information of that meeting.

Loan Package

If you find your company in need of financing, whether for large capital improvements or restructuring of debt for better cash flow, we can help. We will develop a loan package for presentation to any lending institution. We have a network of lenders we can work with to help you secure the financial needs of your company. We are there to assist you with obtaining the funds you need for your business growth.

Our Experience

We have over 40 years of commercial credit experience as well as several years of consumer credit. We feel very strongly about the credit management profession and have committed ourselves to be pro-active within this profession. As well as members of the National Association of Credit Management (NACM) for over twenty-five years, we have served on several local and National Boards of the National Association of Credit Management.

We are well versed in bankruptcy matters and are fully aware of the duties and responsibilities of a trustee in Chapter VII bankruptcy cases. We have dealt with all aspects of bankruptcy, Debtor-In- Possession (DIP), chapter seven (liquidation), chapter eleven (reorganization), chapter thirteen (wage earners), and the ninety-day cram down bankruptcy.

In relation to credit and sales working together, we have been known to visit accounts that are past due and while there, not only collect the payment that is past due, but also make a new sale.

We developed and implemented a technique in rebate and discount programs that no one has been able to replicate. These techniques actually help to generate new orders, increase cash flow and reduce bad debt exposure. Followed correctly, **WE GUARANTY** you will see the results as we have described them.

Our History

NACM Wichita Kansas 1985 to 1995 serving as a Director for two years then as Chairman of the Board of Directors.

1989-1993 / Director Central Region Board of Director (NACM National Board of Directors)

- Served on the National Legislative Committee

1993-1995 / Central Region Vice Chairman (NACM National Board of Directors)

- Served on the National Legislative Committee
- Served on the Finance Committee

In 1998, through service with the National Legislative Committee, we helped draft the proposed revisions in the bankruptcy laws. All of those suggested changes are in conference at this time.

In 1998, we co-founded the National Promotional Products Credit Group (now known as the UPIC Credit Group). We served as Directors several years and as Chairman of this group on four occasions. This group has played an instrumental role in the Promotional Products Industry. Currently, they are aligning themselves along with NACM North Central to the Promotional Products Association International (PPAI).

For over 12 years, we conducted seminars in the Promotional Products industry through PPAI. The seminars were taught to suppliers, manufacturers, distributors and credit manager's nation wide. Each seminar was customized for the group attending and ran anywhere from one day to as many as three days. The advance credit and credit law seminar was conducted for those credit managers in the industry who were seeking additional training in all aspects of credit management.

For over seven years, we wrote bi-monthly articles for Counselor Magazine on issues of credit, bankruptcy, credit law and sales. Additionally, there was a monthly legal brief with real case scenarios written for ASI Profile Newsletter. Articles were also written for PPA Magazine, a publication of PPAI.

Achievements & Credentials

1996-1997 / Successfully directed suit against chapter seven trustee who failed to protect creditor's rights. We discovered through the rules and duties of a trustee that the trustee in a bankruptcy case was negligent in their obligations to protect all of the assets of both the secured and unsecured creditors. We were successful in that suit which resulted in over 25 depositions in the one-year period. We recovered against the bond of the trustee as well as insurance for the loss. The total amount recovered was in excess of \$340,000.00. The original secured debt was \$90,000.00.

Twenty Years of below normal write-offs / Through our proven techniques we were able to maintain bad debt write-offs below one-tenth of one-percent of sales, each year the company has been in operation. This stellar performance was done so as the company grew in sales and volume at an unprecedented rate. To put this in perspective, bad debt write-offs were below \$50,000.00 per year on sales in excess of 90 million.

1996-1997 / Letter of Recognition from the Federal Bureau of Investigation (FBI) – Because of our actions in a bankruptcy case in Texas, and because of our quick response to discovering a bankruptcy crime, the field office in Austin acknowledged our actions in a letter of recognition.

Certified Credit Executive Designation – In 1989, the President of C.O.R.E. Strategies, Mark Borofsky, tested for and received his CCE certification. He has maintained and still holds that designation .

Certified Expert Witness – In 1997, Mark became one of only one-hundred twenty Credit Executives in the United States to receive his Certified Expert Witness (CEW) designation, testify to preference litigation.

Kansas Credit Executive of the Year – In 1989, Mark Borofsky received the distinguished honor of being named the Kansas Credit Executive of the Year from the NACM Kansas Affiliate in Wichita Kansas.

2001 National Credit Executive of the Year – For over twenty-five years, the National Association of Credit Management (NACM) has sought out one candidate in the country who best exemplifies the skills, talents and virtues as its top Credit Executive of the Year. The qualifications to receive such an honor rest primarily in the understanding of credit and credit law, contributions within the profession and innovativeness to maintain client relationships, even in adverse economic times. Mark Borofsky was selected as the 2001 Credit Executive of the Year for all of his dedication to sales, the credit profession and working the two together.