

**HEALTH DISCIPLINE
PROSPECTIVE NEW CLIENT RISK ASSESSMENT FORM – Page 1**

Prospective Client Name: St. Charles Health Systems, Inc.

Lead Consultant: Art Wilmes

Principal: Art Wilmes

Type of Client Entity

Governmental/public (Type: _____) ☐ Yes ☐ No
Core business is risk-taking (Type: Provider Risk) ☐ Yes ☐ No
Stock company or other for-profit:
Publicly traded (Stock exchange listing: _____) ☐ Yes ☐ No
Subsidiary (Parent: _____) ☐ Yes ☐ No
Other (Description: _____) ☐ Yes ☐ No
Non-profit or other (Type: NFP Hosp.) ☐ Yes ☐ No

Screening and Risk Assessment Questions

- (a) Is there evidence of a questionable background or history associated with either the owners (for stock companies, other than publicly traded corporations) or the management/trustees? This includes criminal or other questionable backgrounds, association with prior bankruptcies, history of being sued in connection with business / financial practices, or lack of experience or competence in the field. ☐ NA⁽¹⁾ ☒ No ☐ Other
- (b) Financial stability and capitalization: ☐ NA⁽²⁾ ☒ No ☐ Other
- Existing entity: Has the company been financially unstable, does it currently operate with inadequate capital/surplus, or can it otherwise be reasonably expected to face a precarious financial position?
 - Start-up: Is the company inadequately capitalized or can it otherwise be reasonably expected to face a precarious financial position?
- (c) Is the entity currently, or has it been within the past five years, under court or regulatory oversight? ☐ NA⁽²⁾ ☒ No ☐ Other
- (d) If the work involves an actuarial statement of opinion for a regulatory filing, did the previous actuary depart either voluntarily or involuntarily? ☒ NA⁽³⁾ ☐ No ☐ Other
- (e) Is there a history of suing professionals or evidence of litigiousness, based on the information obtained through client screening or conflict checking? ☒ No ☐ Other

(1) Mark "NA" only if the prospective client is a governmental / public entity.

(2) Mark "NA" only if the core business of the prospective client is *not* risk-taking.

(3) Mark "NA" only if work does not involve an actuarial statement of opinion for a regulatory filing.

FORWARD COPY OF SIGNED FORM TO CORPORATE LEGAL STAFF

(include copy of terms and conditions, if a "Conditioned Acceptance")

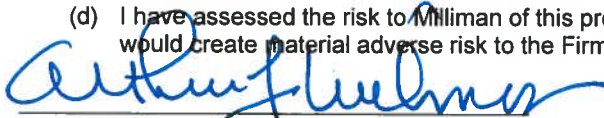
HEALTH DISCIPLINE
PROSPECTIVE NEW CLIENT RISK ASSESSMENT FORM – Page 2

Prospective Client Name:

Client Risk Assessment Statement

1. **Standard Acceptance** – I have undertaken a risk assessment of this prospective new client, and affirm that:

- (a) Client screening has been completed by Milliman corporate staff, no material adverse findings are present, and the screening results are documented in the files;
- (b) Answers to Screening and Risk Assessment Questions (a) – (e) on Page 1 are all “NA” or “No”;
- (c) Sufficient information to make this risk assessment has been assembled and is documented in the files; and
- (d) I have assessed the risk to Milliman of this prospective client, and I am not aware of any factors that would create material adverse risk to the Firm.


Principal

December 2, 2014

Date

2. **Non-Acceptance** – I have undertaken a risk assessment of this prospective new client, and based on those results have declined or chosen not to pursue an engagement.

Principal

Date

3. **Conditioned Acceptance** – I have undertaken a risk assessment of this prospective new client, and affirm that:

- (a) Client screening has been completed by Milliman corporate staff, the screening results have been provided to the Health Practice Director, and they are documented in the files;
- (b) A comprehensive written explanation addressing each of the Screening and Risk Assessment Questions (a) – (e) for which the answer is “Other” has been provided to the Health Practice Director and is documented in the files;
- (c) Sufficient information to make this risk assessment has been assembled, such material has been provided to the Health Practice Director, and it is documented in the files;
- (d) The prospective client is willing to accept all standard provisions of Milliman’s CSA (or alternative wording and provisions acceptable to the Health Practice Director and either the Chief Risk Officer or the ERC or Board, whichever is appropriate, under the circumstances of a “qualified acceptance”);
- (e) I have assessed the risk to Milliman of this prospective client, recognize that certain adverse risk factors are or may be present, and believe that they can be adequately managed; and
- (f) I have received written permission from the Health Practice Director to accept the client, with accompanying terms and conditions for undertaking any engagement (copy to be attached).

Principal

Date

Susan Simonson

From: Art Wilmes
Sent: Tuesday, December 02, 2014 6:57 PM
To: Susan Simonson
Subject: FW: ST. CHARLES HEALTH SYSTEM, INC. SCREEN RESULTS
Attachments: St. Charles Health System D&B Report.pdf

Art Wilmes, FSA, MAAA | Principal and Consulting Actuary | art.wilmes@milliman.com
Milliman | Chase Tower/Circle | 111 Monument Circle, Suite 601 | Indianapolis, IN 46204-5128 | USA
Tel +1 317 524 3521 | Fax +1 317 639 1001 | milliman.com



From: sharepoint@milliman.com [mailto:sharepoint@milliman.com]
Sent: Tuesday, December 02, 2014 6:16 PM
To: Art Wilmes
Cc: Brandy Wilson; Beau Preston
Subject: ST. CHARLES HEALTH SYSTEM, INC. SCREEN RESULTS

This is to inform you that your client screening request has been completed by Grant Huling (Contractor)

St. Charles Health System, Inc.

Request Date:	11-26-2014
Requestor:	Art Wilmes
Discipline:	Health
Company Name:	St. Charles Health System, Inc.
On High Risk Client List? :	No
A.M. Best Rating :	None
Moody's Rating :	A2 (Upper-medium grade; low credit risk) Outlook: Stable
D&B Credit Score Class :	2 (Low to medium risk of severe payment delinquency over the next 12 months)
D&B Financial Stress Class :	2 (Low to medium risk of severe financial stress over the next 12 months)
WorldCheck Rating :	N/A;
Ownership :	

St. Charles Health System, Inc. ("SCHS") is a nonprofit health care system operating four hospitals in central Oregon: Pioneer Memorial Hospital, St. Charles Medical Center - Bend, St. Charles Medical Center - Redmond, and St. Charles Madras. Our prospective client was founded in 2001 as Cascade Health Services and is headquartered in Bend, Oregon.

Officers :

I profiled the officers named below using the LexisNexis database as well as online news resources. I find no compelling evidence that they have been involved in litigation, professional misconduct, or criminal activity. I find a possible divorce proceeding from the 1990s involving Ms. Shepard, but this isn't of interest.

- **President, CEO:** Joseph Sluka - Mr. Sluka previously served as EVP and CAO of Regional Health. He was appointed to his current position in September of this year and began work on December 1st. More biographical details are available here: <http://www.bendbulletin.com/home/2395242-151/st-charles-names-new-ceo#>
- **EVP Finance, CFO:** Karen M. Shepard - Ms. Shepard's LinkedIn profile is available here: <https://www.linkedin.com/pub/karen-shepard/1b/4a6/252>
- **Director, Health Plan Administration, Payor Relations & Contracting:** Maryclair Jorgensen

Prior Health Risk Assessment :

Noteworthy News :

A scan using Factiva and Google News produces no unexpected or adverse coverage of SCHS.

Our prospective client's news page is available here: <https://www.stcharleshealthcare.org/About-Us/News>

Litigation History :

I searched using LexisNexis and online news resources for litigation in which SCHS or Cascade Health Services has been a named party. This has produced only a few results, none of which seem directly relevant to our prospective engagement (i.e. a dispute with a professional advisor). There are two recent class actions that may be worth bearing in mind:

Pending class actions: In 2013, a health system employee filed an unpaid overtime class action. (Dusan-Speck v. St. Charles Health Sys., 2013 U.S. Dist. LEXIS 113792, 2013 WL 4083617 [D. Or. Aug. 9, 2013]) In another 2013 class action, a SCHS employee claimed that the hospital unlawfully required nurses and other employees to take testing (not required by law) without being compensated for their time. (Giles v. St. Charles Health Sys., 294 F.R.D. 585, 2013 U.S. Dist. LEXIS 152695, 163 Lab. Cas. [CCH] P36,175, 2013 WL 5774124 [D. Or. 2013])

Comments :

SCHS screens acceptably. I have found no litigation or news items to suggest that doing business with the health system would pose an undue risk to Milliman. Dun & Bradstreet has assigned our prospective client a Credit Score Class of "2" and a Financial Stress Class of "2." Historically, 2.50% of firms in this credit class have had one or more payment experiences be severely beyond terms. SCHS has 90 vendor payment experiences (a substantial, useful amount) and no liens, suits, or judgments recorded.

All said, I have found no reason to pass on this engagement or request a retainer. Please let me know if there is anything that I can do to be of help.

Grant

NOTE: Please do not reply to this automated notice.



Decide with Confidence

ST. CHARLES HEALTH SYSTEM, INC.

D-U-N-S® 06-149-2740

Headquarters
2500 Ne Neff Rd,
Bend, OR 97701
Website: www.scmc.org

Phone 541 382-4321
Fax 541-354-5261

Comprehensive Report

Purchase Date: 12/02/2014
Last Update Date: 04/14/2014
Attention: Grant Huling

Executive Summary**Company Info**

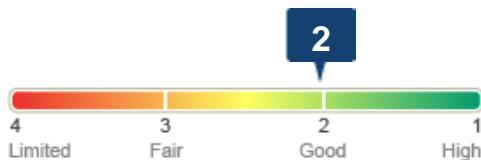
Year Started	1971	Working Capital	\$245,530,883
Control Year	1971	Sales (Financial Statement)	\$368,149,345
CEO	JIM DIEGEL, CEO	Net Worth (Financial Statement)	285,512,847
Employees	3,200	As of 12/31/2012	
Employees Here	1,962 at this location		

D&B Rating

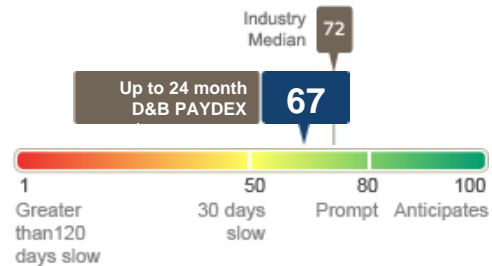
D&B Rating

1R2

Composite Credit Appraisal

**D&B PAYDEX®**

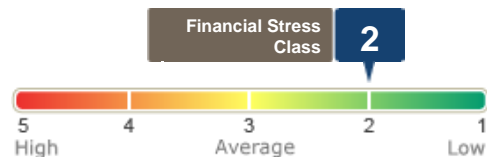
Up to 24 month D&B PAYDEX



Up to 3 month D&B PAYDEX

**Predictive Analytics**

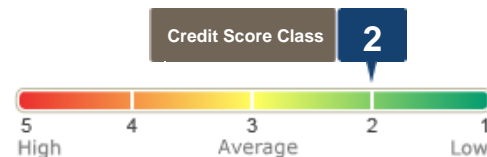
Financial Stress Class



The Financial Stress Class of 2 for this company shows that firms with this class had a failure rate of 0.09% (9 per 10,000).

Financial Stress Class	2
Financial Stress Score	1,524
Highest Risk	1,001
Lowest Risk	1,875

Credit Score Class



The Credit Score class of 2 for this company shows that 2.50% of firms with this classification paid one or more bills severely delinquent.

Credit Score Class	2
Credit Score	541
Highest Risk	101
Lowest Risk	670



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Credit Limit Recommendation

Risk Category



Conservative Credit Limit \$250,000

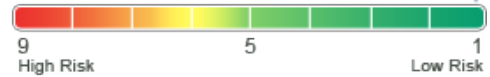
Aggressive Credit Limit \$500,000

D&B Viability Rating

D&B Viability Rating

1 4 A A

Viability Score

1

Portfolio Comparison

4

Data Depth Indicator

A

Company Profile

A

Financial Data	Trade Payments	Company Size	Years in Business
Available	Available (3+Trade)	Large	Established

Business Information**Business Summary**

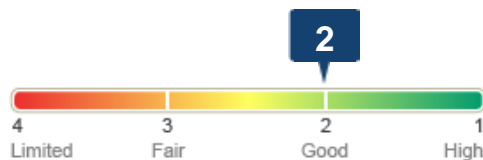
Branch & Division	YES
SIC	8062 General hospital, medical doctor's office
NAICS	622110 General Medical and Surgical Hospitals
History Status	CLEAR

Credit Capacity Summary

D&B Rating

1R2

Composite Credit Appraisal



Prior D&B Rating	1R2
Rating Date	10/13/2014

Payment Activity (based on 90 experiences)	USD
Average High Credit	\$103,497
Highest Credit	4,000,000
Total Highest Credit	7,354,400

D&B Viability Rating

The D&B Viability Rating uses D&B's proprietary analytics to compare the most predictive business risk indicators and deliver a highly reliable

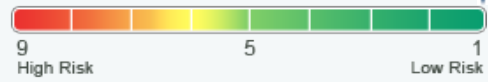


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assessment of the probability that a company will no longer be in business within the next 12 months.

1

Viability Score



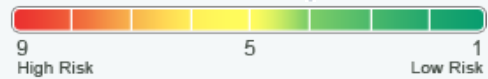
1

Compared to All US Businesses within D&B Database:

- Level of risk: **Low Risk**
- Businesses ranked 1 have a probability of becoming no longer viable: **0.2%**
- Percentage of businesses ranked 1: **0.3%**
- Across all US businesses, the average probability of becoming no longer viable: **14%**

4

Portfolio Comparison



4

Compared to all Businesses within the same MODEL SEGMENT:

Model Segment: **Available Financial Data**

- Level of risk: **Low Risk**
- Businesses ranked 4 within this model segment have a probability of becoming no longer viable: **0.3%**
- Percentage of businesses ranked 4 within this model segment: **13%**
- Within this model segment, the average probability of becoming no longer viable: **0.6%**

A

Data Depth Indicator



A

Data Depth Indicator Details:

- ✓ Rich Firmographics
- ✓ Extensive Commercial Trading Activity
- ✓ Comprehensive Financial Attributes

A

Company Profile

Financial Data	Trade Payments	Company Size	Years in Business
Available	Available (3+Trade)	Large	Established

Company Profile Details:

- Financial Data: **Available**
- Trade Payments: **Available** (3+Trade)
- Business Size: **Large** (Employees:50+ or Sales: \$500K+)
- Years in Business: **Established** (5+)

Business History

Officers JIM DIEGEL, CEO;



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PATSY DRYDEN, SECRETARY**Directors** THE OFFICER(S)

As of 04/14/2014

This business was registered as a Non-Profit Corporation in the State of Oregon on December 8, 1971.

Business started 1971.

RECENT EVENTS:

On March 9, 2009, sources stated that Cascade Healthcare Community, Inc., Bend, OR, is laying off about 74 employees starting February 10, 2009. The company expects that the layoff process will save the company \$6.2 million annually. About 76% of the job cuts affect nonclinical employees who do not provide direct patient care and the rest are nursing positions, and those employees eventually could be rehired and reassigned in other areas.

JIM DIEGEL born 1942. 1970-present active here.

PATSY DRYDEN born 1942. 1995-present active here.

Government Activity Summary

Activity Summary		Possible candidate for socioeconomic program consideration	
Borrower	No	Labor Surplus Area	YES (2014)
Administrative Debt	No	Small Business	N/A
Grantee	No	Women Owned	N/A
Party Excluded from Federal Programs	No	Minority Owned	N/A
Public Company	N/A		
Contractor	No		
Importer/Exporter	N/A		

The details provided in the Government Activity section are as reported to Dun & Bradstreet by the federal government and other sources.

Operations Data

As of 04/14/2014

Description: Operates as a general medical or surgical hospital. Operates as a medical doctor.

Terms are undetermined. Sells to general public. Territory : undetermined.

Nonseasonal.

Employees: 3,200 which includes officer(s). 1,962 employed here.

Facilities: Owns premises in a five story building.

Location: Suburban business section on well traveled highway.

Special Events

As of 10/13/2014

A Rating change has occurred on this company.

Industry Data

SIC		NAICS	
Code	Description	Code	Description
80620000	General medical and surgical hospitals	622110	General Medical and Surgical Hospitals
80110000	Offices and clinics of medical doctors	621111	Offices of Physicians (except Mental Health Specialists)

Family Tree**Branches Domestic**



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ST. CHARLES
HEALTH SYSTEM,
INC.;
(D-U-N-S®:96-248-
0542)
AKA: ST CHARLES
IMMEDIATE CARE
2600 NE NEFF RD,
BEND, OR 97701-
6337

Subsidiaries Domestic

SAINT CHARLES
MEDICAL CENTER
REDMOND;
(D-U-N-S®:14-307-
4420)
1253 NW CANAL
BLVD,
REDMOND, OR 97756-
1334

This list is limited to the first 25 branches, subsidiaries, divisions and affiliates, both domestic and international. Please use the Global Family Linkage Link above to view the full listing.

Financial Statements

Key Business Ratios (Based on 23 establishments)

	This Business	Industry Median	Industry Quartile
Profitability			
Return on Sales	8.8	5.8	2
Return on Net Worth	11.4	8.8	2
Short Term Solvency			
Current Ratio	(-)	2.9	UN
Quick Ratio	UN	1.8	4
Efficiency			
Assets Sales	87.8	129.6	2
Sales / Net Working Capital	1.5	3.4	4
Utilization			
Total Liabs / Net Worth	13.3	89.7	1

As of 12/31/2012

Most Recent Financial Statement

Fiscal statement dated DEC 31 2012:

Assets	USD	Liabilities	USD
Current Assets		Current Liabilities	
Cash	\$26,923,980	Accts Pay	\$12,760,457
Accts Rec	50,780,085	Taxes	(163,415,894)
Inventory	7,021,678	Other Curr Liabs	31,740,052
Mktble Securities	247,862,505	Total Current Liabilities	(118,915,385)
Other Receivables	(213,052,611)		



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Prepaid	7,079,861		
Total Current Assets	126,615,498		
Non Current Assets		Non Current Liabilities	
Fixt & Equip	159,242,978	Notes Payable	156,797,542
Investments-Other	4,514,078	TOTAL FUND BALANCES	285,512,847
Other Assets	33,022,450	Total Liabilities & Net Worth	323,395,004
Total Assets	323,395,004		

As of 04/14/2014

From JAN 01 2012 to DEC 31 2012 annual sales \$368,149,345. Gross profit \$368,149,345; operating expenses \$298,439,223. Operating income \$69,710,122; other income \$33,543,091; other expenses \$70,702,530. Net income \$32,550,683.

Statement Source

Extent of audit, if any, not indicated.

Accounts receivable shown net less \$51,322,517 allowance. Fixed assets shown net less \$206,716,906 depreciation.

Explanations

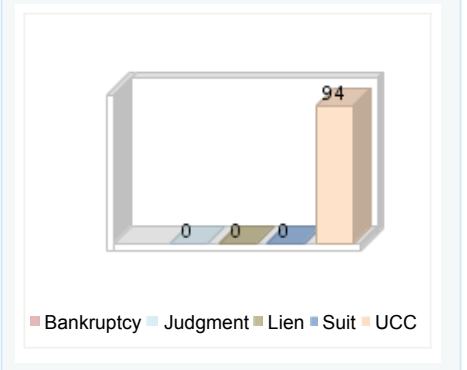
The financial information dated December 31, 2012, represent the general fund only.

As of April 14, 2014, attempts to contact the management of this business have been unsuccessful. Outside sources confirmed operation and location.

Indicators**Public Filings Summary**

The following data includes both open and closed filings found in D&B's database on this company

Record Type	No. of Records	Most Recent Filing Date
Judgment	0	
Lien	0	
Suit	0	
UCC	94	02/18/2014

Public Filings

The following Public Filing data is for information purposes only and is not the official record. Certified copies can only be obtained from the official source.

Full Filings**UCC Filings**

Collateral	Leased Inventory and proceeds - Leased Computer equipment and proceeds - Leased Equipment and proceeds	Latest Info Received	08/23/2013
Filing No.	89809714	Type	Original
Where Filed	SECRETARY OF STATE/UCC DIVISION, SALEM, OR	Date Filed	08/13/2013
Secured Party	U.S. BANK EQUIPMENT FINANCE, A DIVISION OF U.S. BANK NATIONAL ASSOCIATION, PORTLAND, OR		
Debtor	ST. CHARLES HEALTH SYSTEM, INC.		
Collateral	Account(s) and proceeds - General intangibles(s) and proceeds - Chattel paper and proceeds	Latest Info Received	12/31/2008
Filing No.	8158768	Type	Original
Where Filed	SECRETARY OF STATE/UCC DIVISION, SALEM, OR	Date Filed	12/23/2008
Secured Party	U.S. BANK NATIONAL ASSOCIATION, PORTLAND, OR		
Debtor	CASCADE HEALTHCARE COMMUNITY, INC.		
Filing No.	8158768-1	Latest Info Received	06/15/2010
Original UCC Filed	12/23/2008		



Decide with Confidence

Date		Type	Amendment
Where Filed	SECRETARY OF STATE/UCC DIVISION, SALEM, OR	Date Filed	06/08/2010
Secured Party	U.S. BANK NATIONAL ASSOCIATION, PORTLAND, OR	Original Filing No.	8158768
Debtor	CASCADE HEALTHCARE COMMUNITY, INC. and OTHERS		
Filing No.	8158768-2	Latest Info Received	09/26/2013
Original UCC Filed Date	12/23/2008	Type	Continuation
Where Filed	SECRETARY OF STATE/UCC DIVISION, SALEM, OR	Date Filed	09/24/2013
Secured Party	U.S. BANK NATIONAL ASSOCIATION, PORTLAND, OR	Original Filing No.	8158768
Debtor	ST. CHARLES HEALTH SYSTEM, INC. and OTHERS		
Collateral	Account(s) and proceeds - General intangibles(s) and proceeds - Chattel paper and proceeds	Latest Info Received	01/10/2006
Filing No.	0007131280	Type	Original
Where Filed	SECRETARY OF STATE/UCC DIVISION, SALEM, OR	Date Filed	12/27/2005
Secured Party	U.S. BANK NATIONAL ASSOCIATION, PORTLAND, OR		
Debtor	CASCADE HEALTHCARE COMMUNITY, INC.		
Collateral	Computer equipment and proceeds - Equipment and proceeds	Latest Info Received	02/28/2014
Filing No.	89961266	Type	Original
Where Filed	SECRETARY OF STATE/UCC DIVISION, SALEM, OR	Date Filed	02/18/2014
Secured Party	STRYKER FINANCE, KALAMAZOO, MI		
Debtor	ST. CHARLES HEALTH SYSTEM, INC.		
Collateral	Equipment and proceeds	Latest Info Received	02/20/2013
Filing No.	89638277	Type	Original
Where Filed	SECRETARY OF STATE/UCC DIVISION, SALEM, OR	Date Filed	02/11/2013
Secured Party	SIEMENS FINANCIAL SERVICES, INC., ISELIN, NJ		
Debtor	ST. CHARLES HEALTH SYSTEM, INC.		
Collateral	Computer equipment and proceeds - Equipment and proceeds	Latest Info Received	09/11/2012
Filing No.	89288857	Type	Original
Where Filed	SECRETARY OF STATE/UCC DIVISION, SALEM, OR	Date Filed	08/29/2012
Secured Party	STRYKER FINANCE, KALAMAZOO, MI		
Debtor	ST. CHARLES HEALTH SYSTEM, INC.		
Collateral	Equipment and proceeds	Latest Info Received	11/10/2010
Filing No.	8653279	Type	Original
Where Filed	SECRETARY OF STATE/UCC DIVISION, SALEM, OR	Date Filed	11/04/2010
Secured Party	SIEMENS FINANCIAL SERVICES, INC., ISELIN, NJ		
Debtor	ST. CHARLES HEALTH SYSTEM, INC.		
Collateral	Computer equipment and proceeds - Equipment and proceeds	Latest Info Received	11/10/2010
Filing No.	8653263	Type	Original
Where Filed	SECRETARY OF STATE/UCC DIVISION, SALEM, OR	Date Filed	11/04/2010
Secured Party	SIEMENS FINANCIAL SERVICES, INC., ISELIN, NJ		
Debtor	ST. CHARLES HEALTH SYSTEM, INC.		
Collateral	Equipment and proceeds - Computer equipment and proceeds	Latest Info Received	03/03/2008
Filing No.	7880374	Type	Original



Decide with Confidence

Where Filed	SECRETARY OF STATE/UCC DIVISION, SALEM, OR	Date Filed	02/19/2008
Secured Party	SIEMENS FINANCIAL SERVICES, INC., ISELIN, NJ		
Debtor	CASCADE HEALTHCARE COMMUNITY, INC.		

Filing No.	7880374-1	Latest Info Received	11/10/2010
Original UCC Filed Date	02/19/2008	Type	Amendment
Where Filed	SECRETARY OF STATE/UCC DIVISION, SALEM, OR	Date Filed	11/04/2010
Secured Party	SIEMENS FINANCIAL SERVICES, INC., ISELIN, NJ	Original Filing No.	7880374
Debtor	CASCADE HEALTHCARE COMMUNITY, INC. and OTHERS		

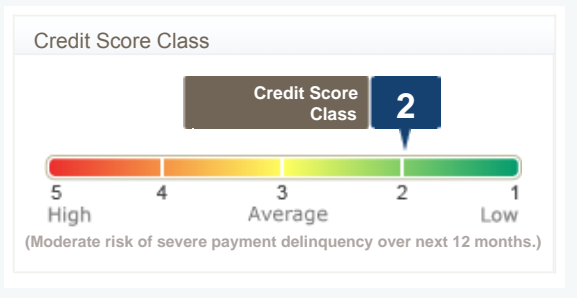
Collateral	Equipment and proceeds - Computer equipment and proceeds	Latest Info Received	03/03/2008
Filing No.	7880368	Type	Original
Where Filed	SECRETARY OF STATE/UCC DIVISION, SALEM, OR	Date Filed	02/19/2008
Secured Party	SIEMENS FINANCIAL SERVICES, INC., ISELIN, NJ		
Debtor	CASCADE HEALTHCARE COMMUNITY, INC.		

Filing No.	7880368-1	Latest Info Received	11/10/2010
Original UCC Filed Date	02/19/2008	Type	Amendment
Where Filed	SECRETARY OF STATE/UCC DIVISION, SALEM, OR	Date Filed	11/04/2010
Secured Party	SIEMENS FINANCIAL SERVICES, INC., ISELIN, NJ	Original Filing No.	7880368
Debtor	CASCADE HEALTHCARE COMMUNITY, INC. and OTHERS		

The public record items contained in this report may have been paid, terminated, vacated or released prior to the date this report was printed. Additional UCC and SLJ filings for this company can be found by conducting a more detailed search in our Public Records Database.

Commercial Credit Score

Summary



Incidence of Delinquent Payment

Among Companies with This Class	2.50%
Average Compared to All Businesses	10.20%
Credit Score Percentile	77
Credit Score	541
Number of Payment Experiences	90

Key Factors

- Higher risk industry based on delinquency rates for this industry
- Recent amount past due
- Higher risk region based on delinquency rates for this region
- Limited business activity signals reported in the past 12 months
- Decreasing trend in reported number of payment experiences

Notes:

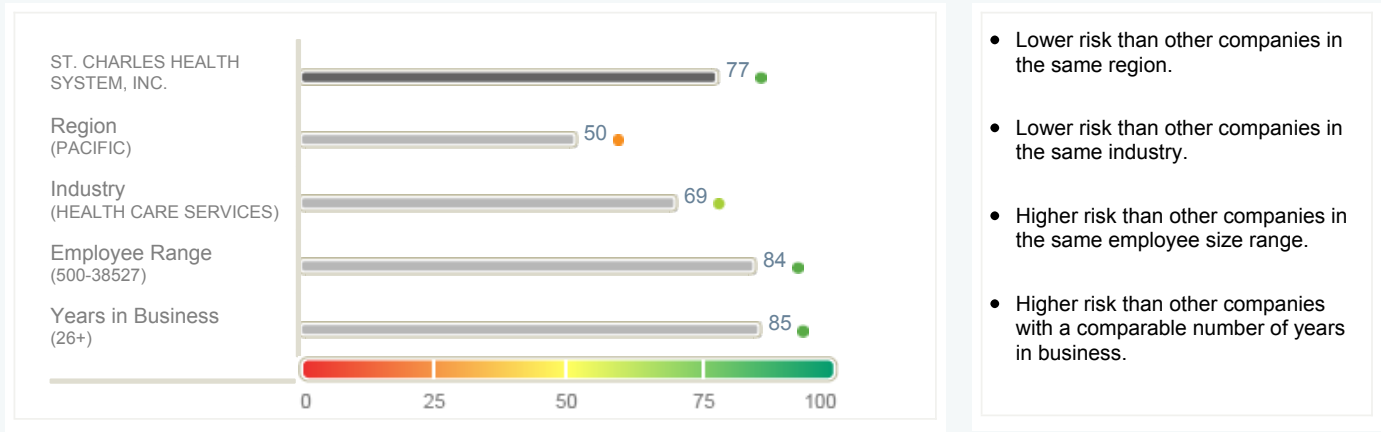
- The Credit Score Class indicates that this firm shares some of the same business and payment characteristics of other companies with this classification. It does not mean the firm will necessarily experience delinquency.
- The Incidence of Delinquent Payment is the percentage of companies with this classification that were reported 91 days past due or more by creditors. The calculation of this value is based on D&B's trade payment database.
- The Credit Score Percentile reflects the relative ranking of a firm among all scorable companies in D&B's file.
- The Credit Score offers a more precise measure of the level of risk than the Class and Percentile. It is especially helpful to customers using a



Decide with Confidence

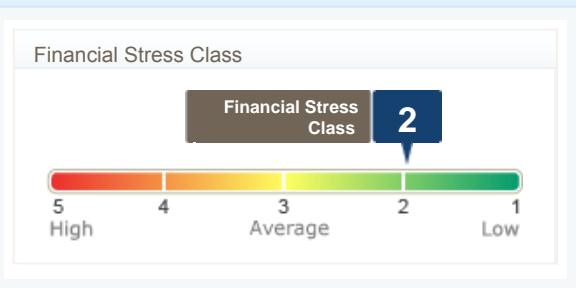
scorecard approach to determining overall business performance.

Credit Score Percentile Norms Comparison



Financial Stress Score

Summary



Financial Stress Score Percentile

Financial Stress National Percentile	76
Financial Stress Score	1524
Probability of Failure with This Score	0.09%
Failure per 10K	9/10,000
Average Failure Rate within D&B database	0.48%
Failure per 10K	48/10,000
Number of Payment Experiences	90

Key Factors

- Low proportion of satisfactory payment experiences to total payment experiences.
- UCC Filings reported.
- High number of inquiries to D&B over last 12 months.

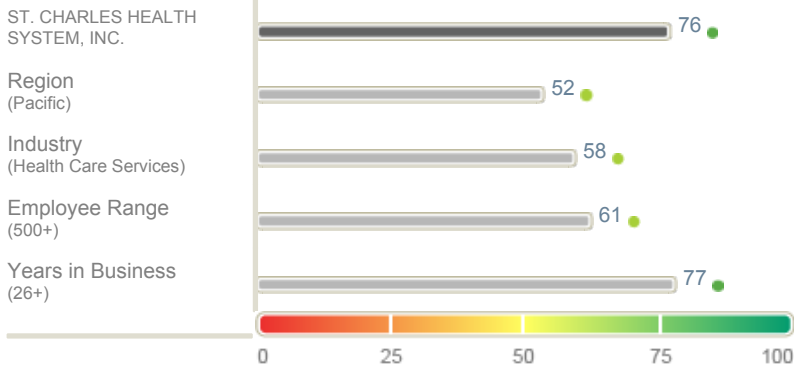
Notes:

- The Financial Stress Class indicates that this firm shares some of the same business and financial characteristics of other companies with this classification. It does not mean the firm will necessarily experience financial stress.
- The probability of failure shows the percentage of firms in a given percentile that discontinue operations with loss to creditors. The average probability of failure is based on businesses in D&B's database and is provided for comparative purposes.
- The Financial Stress National Percentile reflects the relative ranking of a company among all scorable companies in D&B's file.
- The Financial Stress Score offers a more precise measure of the level of risk than the Class and Percentile. It is especially helpful to customers using a scorecard approach to determining overall business performance.

Financial Stress Percentile Comparison



Decide with Confidence



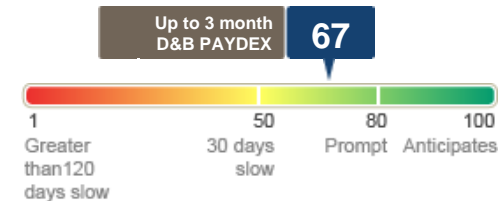
- Lower risk than other companies in the same region.
- Lower risk than other companies in the same industry.
- Lower risk than other companies in the same employee size range.
- Higher risk than other companies with a comparable number of years in business.

Advanced Paydex + CLR

D&B PAYDEX®

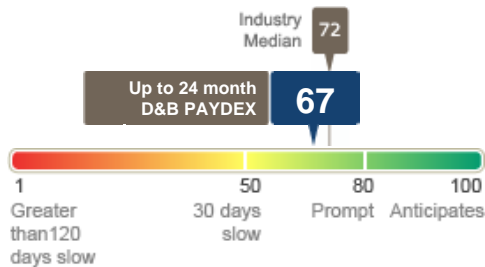
Shows the D&B PAYDEX scores as calculated up to 3 months and up to 24 months of payment experiences.

Up to 3 month D&B PAYDEX



When weighted by dollar amount, payments to suppliers average 18 Days Beyond Terms. Based on payments collected over last 3 months.

Up to 24 month D&B PAYDEX



When weighted by dollar amount, payments to suppliers average 18 days beyond terms. Based on payments collected up to 24 months.

When weighted by dollar amount, the industry average is 12 DAYS BEYOND terms.

- High risk of late payment (average 30 to 120 days beyond terms)
- Medium risk of late payment (average 30 days or less beyond terms)
- Low risk of late payment (average prompt to 30+ days sooner)

Payment Trend	unchanged *	Total Payment Experiences for the HQ	90	Highest Now Owing	\$2,000,000
Payments Within Terms	89%	Total Placed for Collection	0	Highest Past Due	\$2,000,000
Average High Credit	\$103,497	Largest High Credit	\$4,000,000		

* compared to payments three months ago

Credit Limit Recommendation

Risk Category



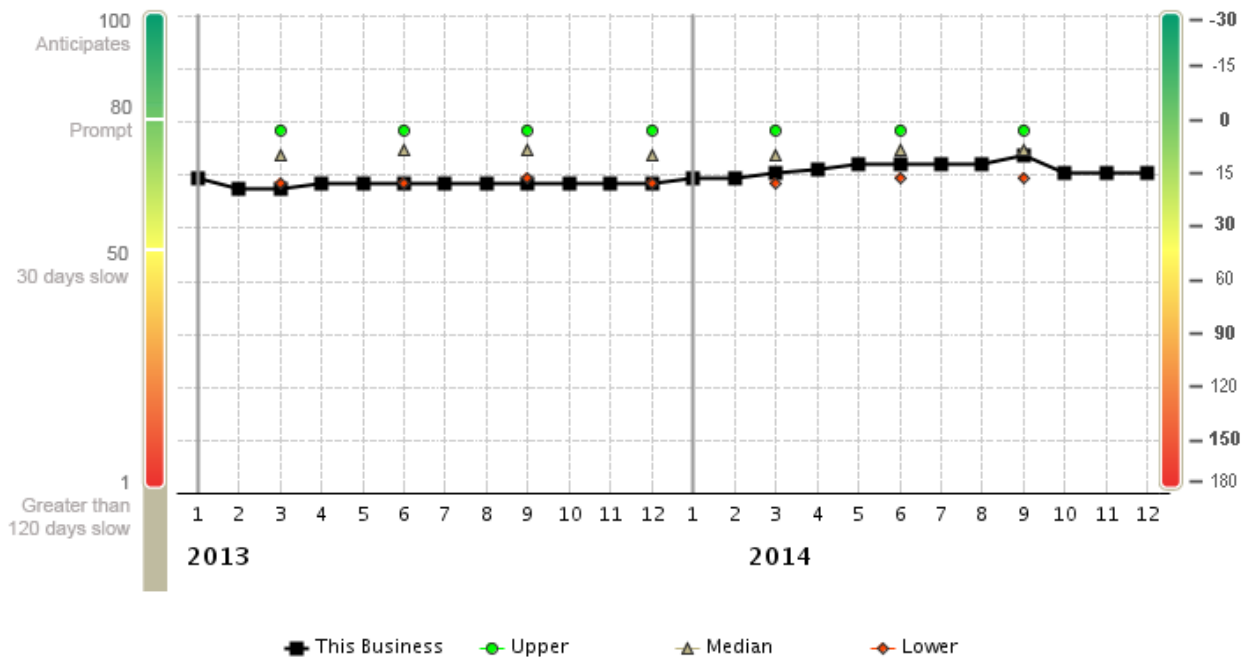
Recommendation Date	12/02/2014
Conservative Credit Limit	\$250,000
Aggressive Credit Limit	\$500,000

Key Factor

Risk is assessed using D&B's scoring methodology and is one factor used to create the recommended limits

PAYDEX Yearly Trend

Shows PAYDEX scores of this Business compared to the Primary Industry from each of the last four quarters. The Primary Industry is General hospital, medical doctor's office, based on SIC code 8062.



This Business	66	64	64	65	65	65	65	65	65	65	65	66	66	67	68	69	69	69	69	71	67	67	67
Industry Quartiles																							
Upper				76			76			76				76			76			76			
Median				71			72			72				71			72			72			
Lower				65			65			66				65			66			66			

Note

- Current PAYDEX[®] for this Business is 67, or equal to 18 days beyond terms.
- The 24 month high paydex is 71.0, or equal to 14 DAYS BEYOND terms.
- The 24 month low paydex is 64.0, or equal to 19 DAYS BEYOND terms.
- Industry upper quartile represents the performance of the payers in the 75th percentile.
- Industry lower quartile represents the performance of the payers in the 25th percentile.

Payment Habits

Credit Extended	% of Payments Within Terms	No. of Payment Experiences	Total Amount USD
Over \$100,000	55% <div></div>	6	\$6,850,000
50,000-100,000	80% <div></div>	2	135,000
15,000-49,999	85% <div></div>	7	205,000
5,000-14,999	93% <div></div>	18	130,000
1,000-4,999	89% <div></div>	16	22,000
Under 1,000	94% <div></div>	22	6,350

Based on up to 24 months of payments

Payment Summary

The Payment Summary section reflects payment information in D&B's file as of the date of this report.

There are 90 payment experiences in D&B's file, with 51 experiences reported during the last three month period. The highest Now Owes on file is \$2,000,000. The highest Past Due on file is \$2,000,000.

All Industries



Decide with Confidence

Industries	Total Received	Total Amounts	Largest High Credit	Within Terms (%)	Days Slow (%)			
					0-30	31-60	61-90	90+
Misc business credit	8	\$54,750	\$30,000	100	0	0	0	0
Mfg medical instrmnt	5	1,690,000	1,000,000	67	33	0	0	0
Telephone communictns	5	7,500	5,000	98	2	0	0	0
Whol medical equip	4	297,500	250,000	93	7	0	0	0
Whol misc profsn eqpt	4	47,600	35,000	100	0	0	0	0
Radiotelephone commun	4	18,350	10,000	100	0	0	0	0
Management services	4	1,050	500	100	0	0	0	0
Mfg electromedcl prdt	2	1,020,000	1,000,000	50	49	1	0	0
Whol electrical equip	2	15,000	7,500	75	25	0	0	0
Books-print/publish	2	6,000	5,000	100	0	0	0	0
Gravure printing	2	1,100	1,000	55	45	0	0	0
Mfg surgical supplies	2	1,500	1,000	83	0	17	0	0
Whol computers/softwr	1	4,000,000	4,000,000	50	50	0	0	0
Help supply service	1	55,000	55,000	50	50	0	0	0
Physical research	1	35,000	35,000	100	0	0	0	0
Noncoml research org.	1	25,000	25,000	100	0	0	0	0
Trucking non-local	1	20,000	20,000	100	0	0	0	0
Misc repair services	1	10,000	10,000	100	0	0	0	0
Whol drugs/sundries	1	5,000	5,000	100	0	0	0	0
Short-trm busn credit	1	5,000	5,000	50	0	50	0	0
Misc publishing	1	5,000	5,000	100	0	0	0	0
Mfg computers	1	5,000	5,000	50	0	50	0	0
Business consulting	1	2,500	2,500	100	0	0	0	0
Whol chemicals	1	2,500	2,500	100	0	0	0	0
Mfg biological prdts	1	1,000	1,000	100	0	0	0	0
Mortgage banker	1	1,000	1,000	100	0	0	0	0
Medical equip rental	1	1,000	1,000	100	0	0	0	0
Mfg greeting cards	1	1,000	1,000	100	0	0	0	0
Mfg soap/detergents	1	1,000	1,000	50	50	0	0	0
Mfg extracts/syrup	1	1,000	1,000	100	0	0	0	0
Drywall/insulate work	1	500	500	100	0	0	0	0
Whol industrial suppl	1	500	500	100	0	0	0	0
Ret mail-order house	1	500	500	100	0	0	0	0
Whol durable goods	1	250	250	100	0	0	0	0
Whol electronic parts	1	100	100	100	0	0	0	0
Whol appliances	1	50	50	100	0	0	0	0
Lithographic printing	1	50	50	100	0	0	0	0
Whol office equipment	1	50	50	100	0	0	0	0
Data processing svcs	1	0	0	0	0	0	0	0

Other Payment Categories



Decide with Confidence

Category	Total Received	Total Dollar Amounts	Largest High Credit
Cash experiences	15	\$750	\$250
Payment record unknown	4	15,300	10,000
Unfavorable comments	0	0	0
Placed for Collection	0	0	0

Detailed Payment History

Date Reported	Paying Record	High Credit	Now Owes	Past Due	Selling Terms	Last Sale within(months)
November 2014	Ppt	\$500,000	\$100,000	\$0	N/A	1
	Ppt-Slow 60	2,500	500	0	N/A	1
October 2014	Ppt	0	10,000	0	N/A	1
	Ppt	0	500	0	N/A	1
	Ppt	0	500	0	N/A	1
	Ppt	0	1,000	0	N/A	1
	Ppt	80,000	35,000	0	N30	1
	Ppt	30,000	30,000	0	N/A	1
	Ppt	10,000	0	0	N30	6-12
	Ppt	10,000	0	0	N/A	2-3
	Ppt	10,000	7,500	0	N/A	1
	Ppt	7,500	7,500	0	N/A	1
	Ppt	7,500	7,500	0	N/A	1
	Ppt	5,000	0	0	N/A	2-3
	Ppt	5,000	5,000	0	N/A	1
	Ppt	5,000	0	0	N/A	2-3
	Ppt	5,000	5,000	0	N/A	1
	Ppt	2,500	100	0	N/A	1
	Ppt	1,000	500	0	N/A	1
	Ppt	1,000	0	0	N/A	2-3
	Ppt	1,000	750	0	N/A	1
	Ppt	750	0	0	N/A	1
	Ppt	100	0	0	N/A	4-5
	Ppt	100	50	0	N/A	1
	Ppt	100	0	0	N/A	6-12
	Ppt	100	0	0	N/A	4-5
	Ppt	50	0	0	N/A	1
	Ppt-Slow 30	4,000,000	2,000,000	2,000,000	N30	1
	Ppt-Slow 30	1,000,000	400,000	100,000	N/A	1
	Ppt-Slow 30	55,000	20,000	500	Regular terms	1
	Ppt-Slow 30	7,500	1,000	500	N/A	1
	Ppt-Slow 30	1,000	750	500	N30	1
	Ppt-Slow 30	1,000	100	0	N/A	1
	Ppt-Slow 60	20,000	250	0	N30	1
	Ppt-Slow 60	5,000	5,000	2,500	N/A	1
	Ppt-Slow 60	5,000	5,000	0	N/A	1
	Ppt-Slow 60	500	100	100	N/A	1
	(038)	0	0	0	Sales COD	6-12
September 2014	Ppt	35,000	25,000	0	N30	1



Decide with Confidence

	Ppt	20,000	20,000	0	N/A	1
	Ppt	10,000	10,000	100	N30	1
	Ppt	7,500	1,000	0	N30	1
	Ppt	2,500	2,500	0	N30	1
	Ppt	1,000	1,000	0	N/A	1
	Ppt	250	100	0	N/A	1
	(046)Cash own option	0	0	0	N/A	1
	(047)Cash own option	0	0	0	N/A	1
August 2014	(048)	0	0	0	Cash account	6-12
July 2014	Ppt-Slow 30	100,000	70,000	15,000	N/A	1
June 2014	Ppt	50	0	0	N30	6-12
	(051)	50	0	0	Cash account	1
	(052)	50	0	0	Cash account	1
	(053)	50	0	0	Cash account	1
	(054)	50	0	0	Cash account	1
May 2014	(055)	50	0	0	Cash account	1
	(056)	50	0	0	Cash account	1
March 2014	Ppt	5,000	5,000	0	N/A	1
	Ppt	1,000	500	0	N30	1
	Ppt	500	0	0	N30	6-12
February 2014	Ppt	1,000	0	0	N15	6-12
	(061)	50	0	0	N30	6-12
December 2013	Ppt	250,000	250,000	0	N30	1
	Ppt	1,000	0	0	N/A	6-12
	(064)	250	0	0	Cash account	1
November 2013	Ppt	0	0	0	N/A	6-12
	Ppt	500	500	0	N/A	1
	Ppt	250	250	0	N/A	1
	Ppt	250	250	0	N/A	1
	Ppt	50	50	0	N/A	1
October 2013	Ppt	2,500	0	0	N/A	6-12
August 2013	Ppt	50	0	0	N/A	1
July 2013	Ppt	25,000	15,000	0	N/A	1
	(073)	50	0	0	Cash account	1
June 2013	Ppt	1,000	0	0	N/A	6-12
May 2013	Ppt	500	0	0	N/A	6-12
April 2013	Ppt	500	0	0	N/A	6-12
February 2013	Ppt	250	0	0	N/A	6-12
December 2012	Ppt	5,000	2,500	0	N/A	1
	Ppt	1,000	0	0	N30	6-12
	Ppt-Slow 30	40,000	0	0	N/A	6-12

Lines shown in red are 30 or more days beyond terms

Each experience shown is from a separate supplier. Updated trade experiences replace those previously reported.