

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

Prospective Client Name: American Health Network, Inc.

Lead Consultant: Jill Herbold

Principal: Art Wilmes

Type of Client Entity

Governmental/public (Type: _____)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Core business is risk-taking (Type: _____)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Stock company or other for-profit:		
Publicly traded (Stock exchange listing: _____)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Subsidiary (Parent: <u>American Health Network of Ohio Corporation</u>)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Other (Description: _____)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Non-profit or other (Type: _____)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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: American Health Network, Inc.

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

6/20/2014
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

From: [Jill Herbold](#)
To: [Susan Simonson](#)
Subject: FW: AMERICAN HEALTH NETWORK OF OHIO PROFESSIONAL CORPORATION SCREEN RESULTS
Date: Friday, June 27, 2014 7:55:49 AM
Attachments: [Advanced_Scoring_Report_AMERICAN_HEALTH_NETWORK_OF_OHIO_PROFESSIONAL_CORPORATION_25062014200704.pdf](#)
[Advanced_Scoring_Report_AMERICAN_HEALTH_NETWORK_INC_25062014210859.pdf](#)
[image001.png](#)

This information should be added to the .pdf's for AHN. (AHN, AOH, APR).

Jill Herbold | Consulting Actuary | jill.herbold@milliman.com
Milliman | Chase Tower/Circle | 111 Monument Circle, Suite 601 | Indianapolis, IN 46204-5128 | USA
Tel +1 317 524 3538 | Fax +1 317 639 1001 | milliman.com



This email and its contents were prepared solely for the internal business use of the Recipient. This email and its contents may not be provided to any third parties without Milliman's prior written consent. Milliman does not intend to benefit any third party recipient of this email and any related work product, even if Milliman consents to the release of its work product to such third party. If you are not the intended recipient, any disclosure, copying, distribution or any action taken or omitted to be taken in reliance on it, is prohibited and may be unlawful. Unless indicated to the contrary: it does not constitute professional advice or opinions upon which reliance may be made by the addressee or any other party, and it should be considered to be a work in progress. Unless otherwise noted in this email or its attachments, this communication does not form a Statement of Actuarial Opinion under American Academy of Actuaries guidelines.

From: sharepoint@milliman.com [mailto:sharepoint@milliman.com]
Sent: Friday, June 27, 2014 12:21 AM
To: Jill Herbold
Cc: Bryan Rivard; Brandy Wilson
Subject: AMERICAN HEALTH NETWORK OF OHIO PROFESSIONAL CORPORATION SCREEN RESULTS

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

AMERICAN HEALTH NETWORK OF OHIO PROFESSIONAL CORPORATION

Request Date:	06-16-2014
Requestor:	Jill Herbold
Discipline:	Health
Company Name:	AMERICAN HEALTH NETWORK OF OHIO PROFESSIONAL CORPORATION
On High Risk Client List? :	No
A.M. Best Rating :	N/A
Moody's Rating :	N/A
D&B Credit Score Class :	3 (Moderate risk of severe payment delinquencies over the next 12 months.)
D&B Financial Stress Class :	4 (Moderate to high risk of severe financial stress, such as bankruptcy, over the next 12 months.)
WorldCheck Rating :	N/A;
Ownership :	

Little information is available on American Health Network of Ohio Professional Corporation (AHNOPC), therefore I have focused my research its (according to Dunn & Bradstreet) its subsidiary, American Health Network (AHN), which is based in Indianapolis, IN and formed

in 1994 by Dr. Ben Park and a group of physicians. AHN a private physician and employee owned PPO operating in Indiana and Ohio. In July 2012, Franciscan Alliance and American Health Network formed an Accountable Care Organization (ACO) to participate in the Medicare program.

Officers :

The officers named below were profiled using Google and Factiva sources and were screened for criminal/civil litigation using LexisNexis. Insofar as my research indicates, there is no evidence of issues of an adverse nature for the noted officers. The individuals screened are as follows:

- **President/CEO, AHN:** Ben H. Park, MD - Limited bio information on Dr. Park is available here: <http://www.ahni.com/find-a-provider/?mode=detail&id=122>
- **CFO/COO, AHN:** Mike Kirschner - Mr. Kirschner has held this role since 1996.

Prior Health Risk Assessment :

N/A

Noteworthy News :

A scan of local and national newspapers, news wires, trade journals, transcripts and Internet search engines yields no evidence of negative coverage of AHNOPC or AHN. Most attention by the media was paid to health announcements, executive or physician placements within the PPO and the like, with examples below. For your interest, AHN offers news items exemplifying the nature of its operations at its website here : <https://www.ahni.com/News.html>

- **June 2013:** Three years ago, the physician practice American Health Network (AHN) was concerned that the boom in employer on-site clinics would hurt its business. So it launched a program aimed at managing the health of employers' workers. And it has come up with some impressive results. "The real impact comes from the personal relationship with the nurse," said Mary Delaney, director of the employee health program at American Health. "That is what is missing in health care." She noted, for instance, that efforts to help an employee stop smoking are likely to be futile unless they also address the stressors in a person's life, which lead him or her to smoke. And that can only be done via a relationship that develops in recurring conversations. American Health now serves 13 employers with roughly 8,000 people on their health plans. (Source: The Indianapolis Business Journal, June 3, 2013)
- **July 2012:** Franciscan Alliance and American Health Network have forged an agreement in accord with Centers for Medicare and Medicaid (CMS) The Franciscan AHN Accountable Care Organization is among the first selected nationally to participate in the Medicare Shared Savings Program, a new multifaceted service sponsored by CMS. (Source: IndyStar, Jul 17, 2012)

Litigation History :

Screening for litigation using news sources, Internet search engines, and Lexis' state and federal cases database and dockets, research discovered no litigation which names AHNOPC and only minimal evidence of litigation concerning AHN, primarily addressing employee driven issues regarding allegations of a variety of forms of discrimination, with no evidence of negative results to the entity. In addition, to the extent of my research, I found no evidence of AHN's involvement in litigation with financial or actuarial advisors.

Comments :

Please note that AHN was last screened by Dave Roumonada on May 30, 2014 for Jill Herbold, and prior to that, by Chelo Gable in September 2012. I found no information of executive leadership specific to AHNOPC, however the officers for AHN screen acceptably. Insofar as my research indicated, neither officer appears to be involved currently in any

personal litigation, professional misconduct or criminal activity. At the entity level, I found no evidence of recent adverse attention through media coverage or litigation activity for either AHNOPC or AHN. At the financial level, AHNOPC scores are not optimal. The organization receives a D&B credit score class of "3," indicating a moderate risk of slow payment, and a financial stress class of "4," indicating a moderate to high risk of severe financial stress. Please note that these scores are based on only 6 payment experiences. As for AHN's scores, D&B's most recent report released February 27, 2014 offers a softening of AHN's ratings picture since it was last screened, with a downgraded assigned Credit Score Class rating of "3", down from an excellent "1" in our initial screen, and a marginally acceptable Financial Stress Class rating of "3", unchanged. These scores are based on 165 payment experiences. I also found evidence of 5 suits against AHN. I will leave it to your discretion as to whether a retainer is warranted. In conclusion, I found no evidence to suggest that doing business with AHNOPC or AHN would pose undue risk to Milliman.

I hope this helps with your decision as to the suitability of AHNOPC as a Milliman client. Please do not hesitate to contact me and I will be happy to assist you.

Chelo

NOTE: Please do not reply to this automated notice.



AMERICAN HEALTH NETWORK OF OHIO, PROFESSIONAL CORPORATION

D-U-N-S® 04-670-8362

Single
1980 Bethel Rd Ste 100,
Columbus, OH 43220

Phone 614 451-3114

Advanced Scoring Report

Purchase Date: 06/25/2014
Last Update Date: 06/09/2014
Attention: legal

Executive Summary

Company Info

Year Started	2011	Employees	5
--------------	------	-----------	---

Control Year 2011

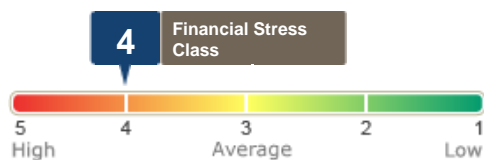
*** Update available on request ***

This information is being provided to you immediately in the interest of speed. This report may not reflect the current status of this business. D&B can investigate this business and update the information based on the results of that investigation.

By ordering a standard investigation the same day you order this report, an updated report will be provided to you at no extra cost.

Predictive Analytics

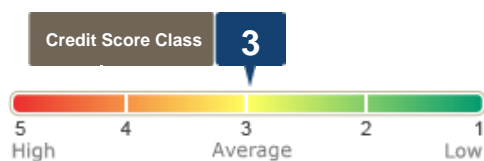
Financial Stress Class



The Financial Stress Class of 4 for this company shows that firms with this class had a failure rate of 0.84% (84 per 10,000).

Financial Stress Class	4
Financial Stress Score	1,443
Highest Risk	1,001
Lowest Risk	1,875

Credit Score Class



The Credit Score class of 3 for this company shows that 5.80% of firms with this classification paid one or more bills severely delinquent.

Credit Score Class	3
Credit Score	508
Highest Risk	101
Lowest Risk	670

D&B Rating

D&B Rating

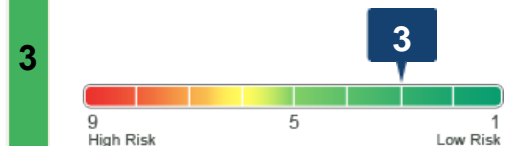
DS

D&B Viability Rating

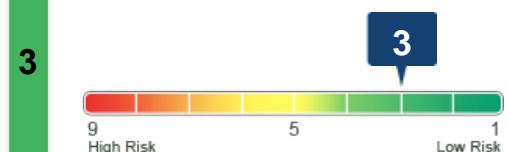
D&B Viability Rating

3 3 C L

Viability Score



Portfolio Comparison



Data Depth Indicator



Company Profile

Financial Data	Trade Payments	Company Size	Years in Business
Not Available	Available (3+Trade)	Small	Young



Decide with Confidence

Business Information

Business Summary

SIC	8099 Health/allied services
NAICS	621999 All Other Miscellaneous Ambulatory Health Care Services

Credit Capacity Summary

D&B Rating

DS

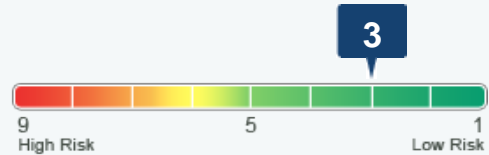
Payment Activity (based on 6 experiences)	USD
Average High Credit	\$333
Highest Credit	750
Total Highest Credit	2,000

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

3

Viability Score

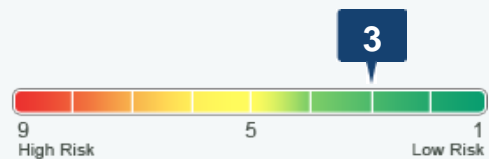


Compared to All US Businesses within D&B Database:

- Level of risk: **Low Risk**
- Businesses ranked 3 have a probability of becoming no longer viable: **3%**
- Percentage of businesses ranked 3: **15%**
- Across all US businesses, the average probability of becoming no longer viable: **14%**

3

Portfolio Comparison



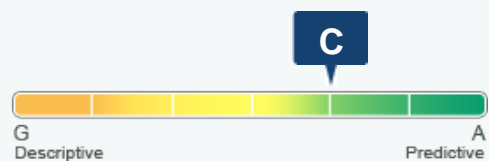
Compared to all Businesses within the same MODEL SEGMENT:

Model Segment: **Established Trade Payments**

- Level of risk: **Low Risk**
- Businesses ranked 3 within this model segment have a probability of becoming no longer viable: **3%**
- Percentage of businesses ranked 3 within this model segment: **11%**
- Within this model segment, the average probability of becoming no longer viable: **5%**

C

Data Depth Indicator



Data Depth Indicator Details:

- ✓ Rich Firmographics



Decide with Confidence

✓ Extensive Commercial Trading Activity

✗ No Financial Attributes

Greater data depth can increase the precision of the D&B Viability Rating assessment.

You have the ability to influence the confidence of the viability assessment by asking the business to report more information to D&B at

<https://iupdate.dnb.com/iUpdate/>

Company Profile

Financial Data

Trade Payments

Company Size

Years in Business

Not Available

Available
(3+Trade)

Small

Young

Company Profile Details:

- Financial Data: **Not Available**
- Trade Payments: **Available** (3+Trade)
- Business Size: **Small** (Employees: <10 or Sales: <\$10K or Missing)
- Years in Business: **Young** (<5)

Industry Data

SIC

Code	Description
80990000	Health and allied services, nec

NAICS

Code	Description
621999	All Other Miscellaneous Ambulatory Health Care Services

Commercial Credit Score

Summary

Credit Score Class



Incidence of Delinquent Payment

Among Companies with This Class	5.80%
Average Compared to All Businesses	10.20%
Credit Score Percentile	57
Credit Score	508
Number of Payment Experiences	6

Key Factors

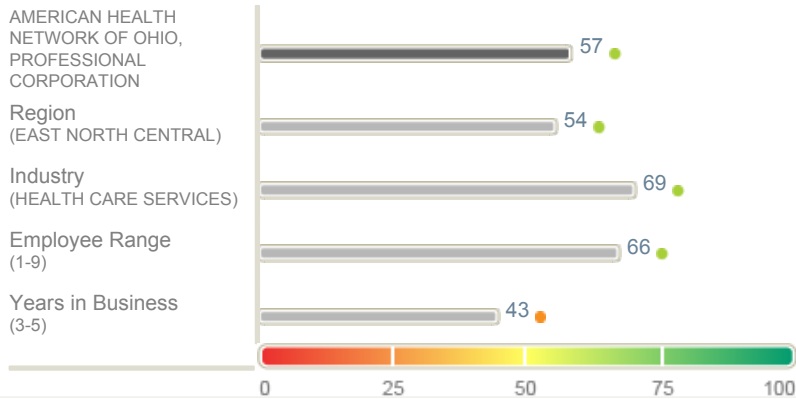
- Limited time under present management control
- Higher risk industry based on delinquency rates for this industry
- Recent high balance past due
- Proportion of past due balances to total amount owing
- Variable Paydex over last 12 months

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 scorecard approach to determining overall business performance.



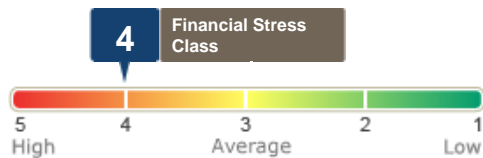
Decide with Confidence

Credit Score Percentile Norms Comparison

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

Financial Stress Score**Summary**

Financial Stress Class

**Financial Stress Score Percentile**

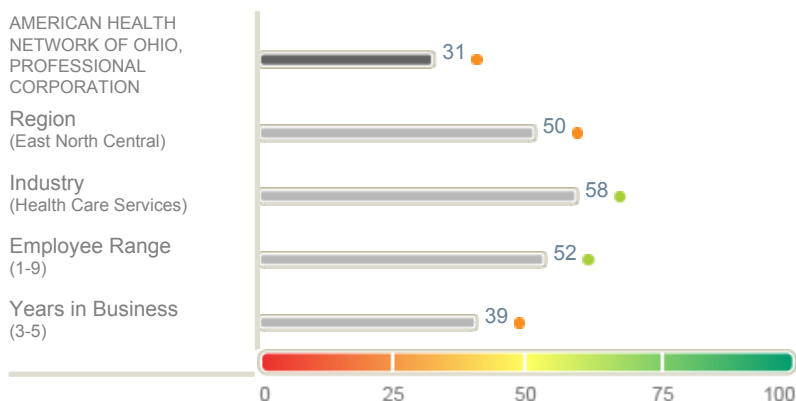
Financial Stress National Percentile	31
Financial Stress Score	1443
Probability of Failure with This Score	0.84%
Failure per 10K	84/10,000
Average Failure Rate within D&B database	0.48%
Failure per 10K	48/10,000
Number of Payment Experiences	6

Key Factors

- Limited time under present management control
- Low proportion of satisfactory payment experiences to total payment experiences.
- Low Paydex Score.

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

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



Decide with Confidence

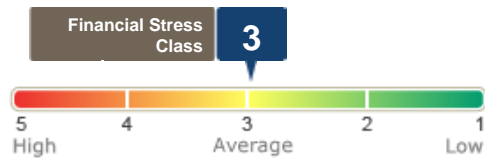
--	--

**AMERICAN HEALTH NETWORK, INC.**

D-U-N-S® 87-288-7997

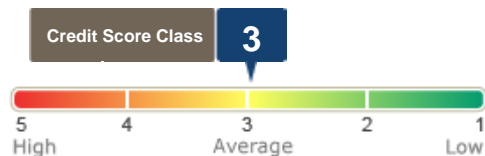
Headquarters(Subsidiary)
10689 N Pennsylvania St
Ste 200,
Indianapolis, IN 46280Phone 317 580-6309
Fax 317-580-3699**Advanced Scoring Report**Purchase Date: 06/25/2014
Last Update Date: 02/27/2014
Attention: legal**Executive Summary****Company Info**

Year Started	1994	Employees	1,170
Control Year	1998	Employees Here	80 at this location
CEO	BEN PARK, CEO	Trade Styles	(SUBSIDIARY OF AMERICAN HEALTH NETWORK OF OHIO PROFESSIONAL CORPORATION, COLUMBUS, OH)

Predictive Analytics**Financial Stress Class**

The Financial Stress Class of 3 for this company shows that firms with this class had a failure rate of 0.24% (24 per 10,000).

Financial Stress Class	3
Financial Stress Score	1,476
Highest Risk	1,001
Lowest Risk	1,875

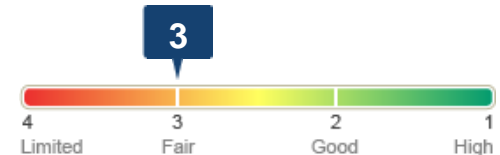
Credit Score Class

The Credit Score class of 3 for this company shows that 5.80% of firms with this classification paid one or more bills severely delinquent.

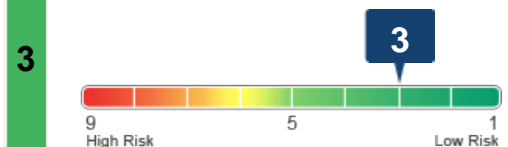
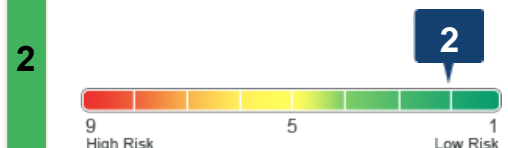
Credit Score Class	3
Credit Score	497
Highest Risk	101
Lowest Risk	670

D&B Rating

D&B Rating

1R3**Composite Credit Appraisal****D&B Viability Rating**

D&B Viability Rating

3 2 B Z**Viability Score****Portfolio Comparison****Data Depth Indicator****Company Profile**



Z

Subsidiary

Business Information

Business Summary

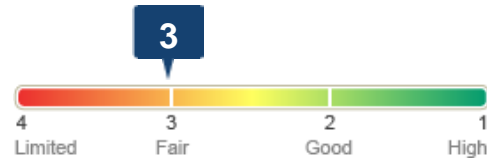
Branch & Division	YES
SIC	8011 Medical doctor's office
NAICS	621111 Offices of Physicians (except Mental Health Specialists)
History Status	CLEAR

Credit Capacity Summary

D&B Rating

1R3

Composite Credit Appraisal



Prior D&B Rating 1R3

Rating Date 02/22/2008

Payment Activity (based on 165 experiences) USD

Average High Credit \$7,856

Highest Credit 100,000

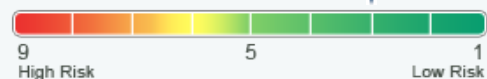
Total Highest Credit 1,042,850

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

3

Viability Score

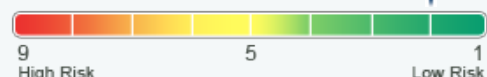


Compared to All US Businesses within D&B Database:

- Level of risk: **Low Risk**
- Businesses ranked 3 have a probability of becoming no longer viable: **3%**
- Percentage of businesses ranked 3: **15%**
- Across all US businesses, the average probability of becoming no longer viable: **14%**

2

Portfolio Comparison



Compared to all Businesses within the same MODEL SEGMENT:

Model Segment: **Established Trade Payments**

- Level of risk: **Low Risk**
- Businesses ranked 2 within this model segment have a probability of becoming no longer viable: **3%**
- Percentage of businesses ranked 2 within this model segment: **16%**
- Within this model segment, the average probability of becoming no longer viable: **5%**



Decide with Confidence

B**Data Depth Indicator****B****Data Depth Indicator Details:**

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

Greater data depth can increase the precision of the D&B Viability Rating assessment.

You have the ability to influence the confidence of the viability assessment by asking the business to report more information to D&B at <https://iupdate.dnb.com/iUpdate/>

Z**Company Profile****Subsidiary****Special Events**

As of 11/04/2013

Business address has changed from 10333 N Meridian St Ste 450, Indianapolis, IN, 46290 to 10689 N Pennsylvania St Ste 200, Indianapolis, IN, 46280.

Industry Data**SIC**

Code	Description
80119901	General and family practice, physician/surgeon

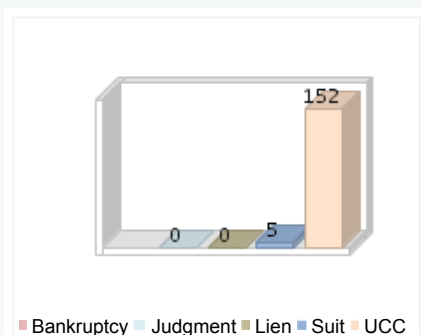
NAICS

Code	Description
621111	Offices of Physicians (except Mental Health Specialists)

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
Judgment	0
Lien	0
Suit	5
UCC	152

Public Filings**Commercial Credit Score**



Decide with Confidence

Summary

Credit Score Class



Incidence of Delinquent Payment

Among Companies with This Class	5.80%
Average Compared to All Businesses	10.20%
Credit Score Percentile	49
Credit Score	497
Number of Payment Experiences	165

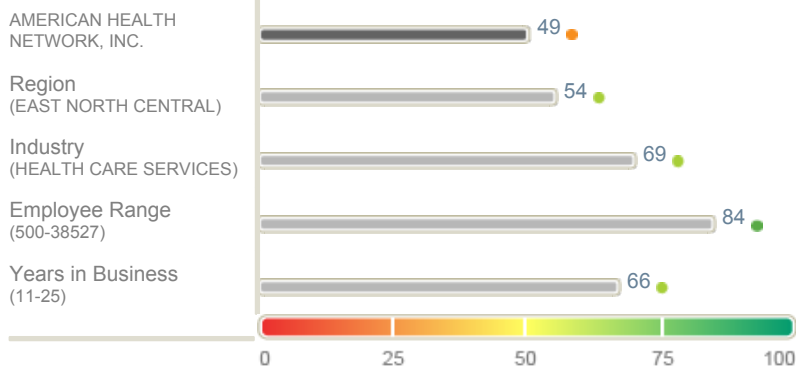
Key Factors

- Proportion of past due balances to total amount owing
- Proportion of slow payments in recent months
- Increase in proportion of delinquent payments in recent payment experiences
- Evidence of open suits
- Higher risk industry based on delinquency rates for this industry

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 scorecard approach to determining overall business performance.

Credit Score Percentile Norms Comparison



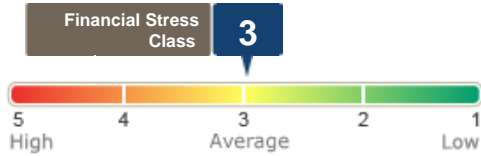
- Higher risk than other companies in the same region.
- Higher risk than other companies in the same industry.
- Higher risk than other companies in the same employee size range.
- Higher risk than other companies with a comparable number of years in business.

Financial Stress Score



Summary

Financial Stress Class



Financial Stress Score Percentile

Financial Stress National Percentile	49
Financial Stress Score	1476
Probability of Failure with This Score	0.24%
Failure per 10K	24/10,000
Average Failure Rate within D&B database	0.48%
Failure per 10K	48/10,000
Number of Payment Experiences	165

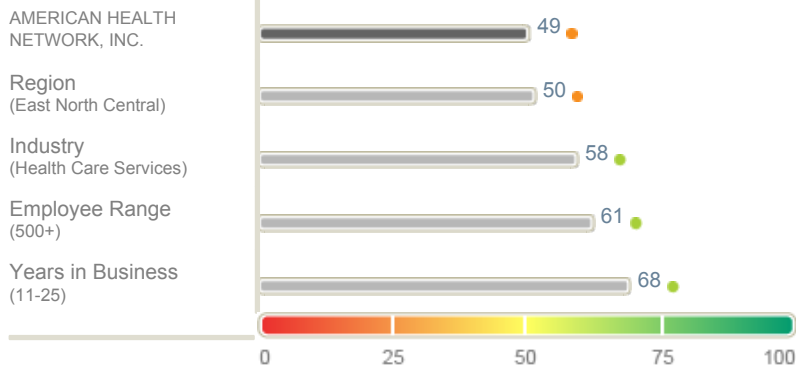
Key Factors

- Composite credit appraisal is rated fair.
- UCC Filings reported.
- High number of inquiries to D&B over last 12 months.
- Low proportion of satisfactory payment experiences to total payment experiences.
- High proportion of past due balances to total amount owing.

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



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

From: [Jill Herbold](#)
To: [Susan Simonson](#)
Subject: FW: FRANCISCAN ALLIANCE, INC. SCREEN RESULTS
Date: Tuesday, June 17, 2014 12:13:32 PM
Attachments: [06-15-2014FRANCISCAN ALLIANCE, INC.pdf](#)
[image001.png](#)

Jill Herbold | Consulting Actuary | jill.herbold@milliman.com
Milliman | Chase Tower/Circle | 111 Monument Circle, Suite 601 | Indianapolis, IN 46204-5128 | USA
Tel +1 317 524 3538 | Fax +1 317 639 1001 | milliman.com



This email and its contents were prepared solely for the internal business use of the Recipient. This email and its contents may not be provided to any third parties without Milliman's prior written consent. Milliman does not intend to benefit any third party recipient of this email and any related work product, even if Milliman consents to the release of its work product to such third party. If you are not the intended recipient, any disclosure, copying, distribution or any action taken or omitted to be taken in reliance on it, is prohibited and may be unlawful. Unless indicated to the contrary: it does not constitute professional advice or opinions upon which reliance may be made by the addressee or any other party, and it should be considered to be a work in progress. Unless otherwise noted in this email or its attachments, this communication does not form a Statement of Actuarial Opinion under American Academy of Actuaries guidelines.

From: sharepoint@milliman.com [<mailto:sharepoint@milliman.com>]
Sent: Sunday, June 15, 2014 12:27 PM
To: Jill Herbold
Cc: Bryan Rivard; Brandy Wilson
Subject: FRANCISCAN ALLIANCE, INC. SCREEN RESULTS

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

Franciscan Alliance, Inc.

Request Date:	05-30-2014
Requestor:	Jill Herbold
Discipline:	Health
Company Name:	Franciscan Alliance, Inc. ("FAI")
On High Risk Client List? :	No
A.M. Best Rating :	N/A
Moody's Rating :	Aa3 (the rating, affirmed October 2013, applies to bonds judged to be of high quality subject to very low credit risk. Outlook: Negative)
D&B Credit Score Class :	3 (Moderate risk of severe payments delinquency over the next 12 months)
D&B Financial Stress Class :	3 (Moderate risk of severe financial stress, such as bankruptcy, over the next 12 months)
WorldCheck Rating :	N/A;

Ownership :

FAI, headquartered in Mishawaka, IN is a non-profit hospital system founded initially in 1875 by Roman Catholic sisters of the Franciscan Order. Known initially as the Sisters of St. Francis Health Services, Inc., the entity was renamed in 2010. FAI offers full medical services, including insurance through its wholly owned Indianapolis-based health insurer Advantage Health Solutions Inc., through 14 hospitals located in Indiana and Illinois. In 2012, FAI was selected to participate in a Pioneer Accountable Care Organizations (ACOs) initiative by the U.S. Department of Health and Human Services.

Officers :

The officers named below were profiled using Google and Factiva sources and were screened for criminal/civil litigation using LexisNexis. Insofar as my research indicates, there is no evidence of issues of an adverse nature for the noted officers. The individuals screened are as follows:

- **Chairperson-Board of Trustees:** Sister Jane Marie Klein, OSF
- **Chief Medical Officer:** Mr. Albert Tomchaney, M.D.
- **CEO-Northern Indiana Region:** Mr. Gene Diamond
- **CEO- Franciscan St. Francis Health:** Mr. Robert J. Brody

Prior Health Risk Assessment :

N/A

Noteworthy News :

A scan of local and national newspapers, news wires, trade journals, transcripts and Internet search engines yields limited evidence of negative coverage of FAI. Most attention by the media was paid to discussions of issues faced by medical service providers, hinting at rising costs and complicated procedures due to changes in processes for reimbursing hospitals for services rendered, health announcements, executive or physician placements and the like, with examples below.

- **January 2014:** Gene Diamond, CEO of the Franciscan Alliance's five-hospital Northern Indiana Region, says hospitals are seeing increased activity from federal Recovery Audit Contractors and other auditors. Diamond says that they're experiencing a rising tide of demands for records and it is taxing them and necessitating that they spend more time and money not only finding those records, but also handling the requests for explanations. Moreover, when hospitals receive denials, they must appeal with justifications. They've had to add staff and considerable resources to address these Issues. And his system is not alone. In the most recent American Hospital Association survey of hospitals, 47% of the 1,273 responding hospitals reported increased medical records requests since the fourth quarter of 2012. (*Source: Hospitals and Health Networks, January 1, 2014.*)
- **December 2013:** Recent staffing cuts at hospitals in Indiana and around the country are forcing nurses and other health workers to shift the focus of their job searches and leaving them wondering about their futures. [IU Health](#), St. Vincent Health and Franciscan Alliance have cut nearly 2,000 jobs this year, about a fourth of them in nursing. Nationally, the health-care industry has lost more than 41,000 jobs this year. The cuts are the product of declining admissions and falling revenue, and they're

making it more difficult for nurses to find hospital jobs and for nursing students to get their first break.. (Source: Associated Press Newswires-The Indianapolis Star, December 8, 2013).

Litigation History :

Screening for litigation using news sources, Internet search engines, and Lexis' state and federal cases database and dockets, research discovered minimal evidence of litigation concerning FAI, with the relatively low volume of casework addressing employee issues or allegations of medical malpractice, issues common to an entity of this type. Overall, I found no evidence the elements of FAI have experienced materially negative results from litigation, nor did I find evidence of FAI's involvement in litigation with financial or actuarial advisors.

Comments :

At the executive management level, FAI screens acceptably. Insofar as my research indicated, the noted officers associated with FAI do not appear to be involved currently in any personal litigation, professional misconduct or criminal activity.

At the entity level, research found no evidence of recent adverse attention through either media coverage or litigation activity with FAI.

Regarding FAI's financial condition, D&B's analysts' most recent report released April 14, 2014 offers a marginally acceptable ratings picture with an assigned Credit Score Class rating of "3" and a Financial Stress Class rating of "3", indications of an entity judged to experience a moderate risk of either payment issues or financial distress in the near term. Additionally, on October 30, 2013, Moody's Investors Service has affirmed the Aa3 ratings of FAI's \$1.1 billion bonds. The rating is for a debt obligation judged to be of high quality subject to low credit risk. However, the service revised its outlook to negative from stable.

To the extent of my research, I found no evidence to suggest an engagement in business with FAI poses undue risk to Milliman in the near term.

Jill, should you require additional information regarding FAI, please do not hesitate to contact me and I will be happy to assist you.

- Dave

NOTE: Please do not
reply to this automated
notice.



Decide with Confidence

FRANCISCAN ALLIANCE, INC.

D-U-N-S® 07-430-3694 Headquarters
 Mailing PO BOX 310 1515 Dragoon Trl,
 Address Mishawaka, Mishawaka, IN 46544
 IN 46546 Website: www.ssfhs.org

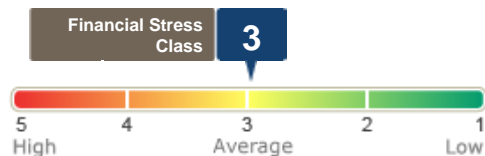
Phone 574 256-3935
 Fax 574-256-0267

Advanced Scoring Report

Purchase Date: 06/15/2014
 Last Update Date: 04/14/2014
 Attention: dave

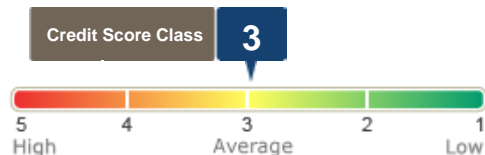
Executive Summary**Company Info**

Year Started	1974	Employees	9,000
Control Year	1974	Employees Here	25 at this location
CEO	KEVIN D LEAHY, PRES	Trade Styles	SAINT JAMES HOSPITAL; SAINT CLARE MEDICAL CENTER; SAINT ELIZABETH HOSPITAL

Predictive Analytics**Financial Stress Class**

The Financial Stress Class of 3 for this company shows that firms with this class had a failure rate of 0.24% (24 per 10,000).

Financial Stress Class	3
Financial Stress Score	1,504
Highest Risk	1,001
Lowest Risk	1,875

Credit Score Class

The Credit Score class of 3 for this company shows that 5.80% of firms with this classification paid one or more bills severely delinquent.

Credit Score Class	3
Credit Score	491
Highest Risk	101
Lowest Risk	670

D&B Rating

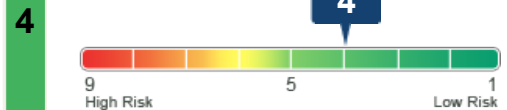
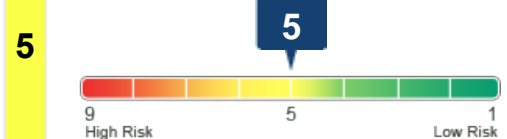
D&B Rating

--

D&B Viability Rating

D&B Viability Rating

4 5 B G

Viability Score**Portfolio Comparison****Data Depth Indicator****Company Profile**

Financial Data	Trade Payments	Company Size	Years in Business
Not Available	Available (3+Trade)	Large	Established

Business Information



Decide with Confidence

Business Summary

Branch & Division	YES
Financing	SECURED
SIC	8062 General hospital, skilled nursing care facility
NAICS	622110 General Medical and Surgical Hospitals
History Status	INCOMPLETE

Credit Capacity Summary

D&B Rating

--

Prior D&B Rating

--

Rating Date 08/27/2013

Payment Activity (based on 310 experiences) USD

Average High Credit \$37,705

Highest Credit 3,000,000

Total Highest Credit 10,287,350

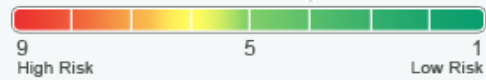
D&B Viability Rating

The D&B Viability Rating uses D&B's proprietary analytics to compare the most predictive business risk indicators and deliver a highly reliable assessment of the probability that a company will no longer be in business within the next 12 months.

4

Viability Score

4

**Compared to All US Businesses within D&B Database:**

- Level of risk: **Low Risk**
- Businesses ranked 4 have a probability of becoming no longer viable: **5%**
- Percentage of businesses ranked 4: **14%**
- Across all US businesses, the average probability of becoming no longer viable: **14%**

5

Portfolio Comparison

5

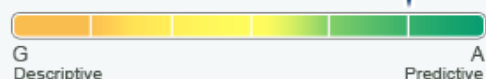
**Compared to all Businesses within the same MODEL SEGMENT:**Model Segment: **Established Trade Payments**

- Level of risk: **Moderate Risk**
- Businesses ranked 5 within this model segment have a probability of becoming no longer viable: **5%**
- Percentage of businesses ranked 5 within this model segment: **11%**
- Within this model segment, the average probability of becoming no longer viable: **5%**

B

Data Depth Indicator

B

**Data Depth Indicator Details:**



Decide with Confidence

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

Greater data depth can increase the precision of the D&B Viability Rating assessment.

You have the ability to influence the confidence of the viability assessment by asking the business to report more information to D&B at <https://iupdate.dnb.com/iUpdate/>

G

Company Profile

Financial Data

Trade Payments

Company Size

Years in Business

Not Available

Available
(3+Trade)

Large

Established

Company Profile Details:

- Financial Data: **Not Available**
- Trade Payments: **Available** (3+Trade)
- Business Size: **Large** (Employees:50+ or Sales: \$500K+)
- Years in Business: **Established** (5+)

Special Events

As of 09/25/2013

WORK FORCE CHANGES: According to published reports, Franciscan Alliance announced that about 125 people who work for two south suburban hospitals and affiliated outpatient clinics were laid off.

Industry Data

SIC

Code	Description
80620000	General medical and surgical hospitals
80510000	Skilled nursing care facilities

NAICS

Code	Description
622110	General Medical and Surgical Hospitals
623110	Nursing Care Facilities (Skilled Nursing Facilities)

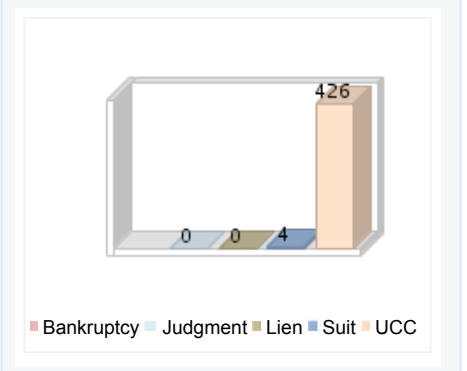
Indicators

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
Judgment	0
Lien	0
Suit	4
UCC	426

Public Filings



Commercial Credit Score



Decide with Confidence

Summary

Credit Score Class



Incidence of Delinquent Payment

Among Companies with This Class	5.80%
Average Compared to All Businesses	10.20%
Credit Score Percentile	42
Credit Score	491
Number of Payment Experiences	310

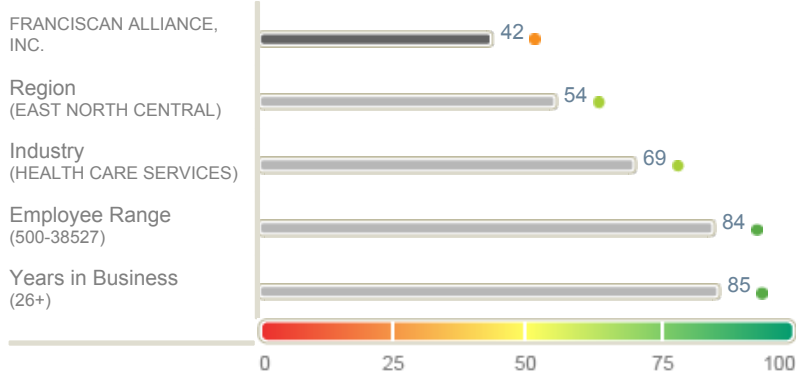
Key Factors

- Increase in proportion of delinquent payments in recent payment experiences
- Proportion of past due balances to total amount owing
- Recent high balance past due
- Higher risk industry based on delinquency rates for this industry
- Evidence of open suits
- Proportion of slow payments in recent months

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 scorecard approach to determining overall business performance.

Credit Score Percentile Norms Comparison



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

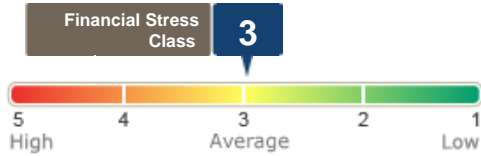
Financial Stress Score



Decide with Confidence

Summary

Financial Stress Class



Financial Stress Score Percentile

Financial Stress National Percentile	65
Financial Stress Score	1504
Probability of Failure with This Score	0.24%
Failure per 10K	24/10,000
Average Failure Rate within D&B database	0.48%
Failure per 10K	48/10,000
Number of Payment Experiences	310

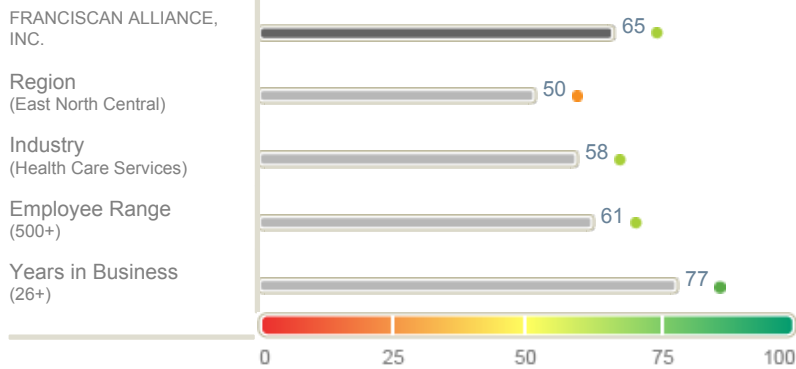
Key Factors

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

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



- 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.

From: [Jill Herbold](#)
To: [Susan Simonson](#)
Subject: FW: AMERICAN HEALTH NETWORK SCREEN RESULTS
Date: Tuesday, June 17, 2014 12:13:32 PM
Attachments: [06-14-14AMERICAN HEALTH NETWORK, INC.pdf](#)
[image001.png](#)

Jill Herbold | Consulting Actuary | jill.herbold@milliman.com
Milliman | Chase Tower/Circle | 111 Monument Circle, Suite 601 | Indianapolis, IN 46204-5128 | USA
Tel +1 317 524 3538 | Fax +1 317 639 1001 | milliman.com



This email and its contents were prepared solely for the internal business use of the Recipient. This email and its contents may not be provided to any third parties without Milliman's prior written consent. Milliman does not intend to benefit any third party recipient of this email and any related work product, even if Milliman consents to the release of its work product to such third party. If you are not the intended recipient, any disclosure, copying, distribution or any action taken or omitted to be taken in reliance on it, is prohibited and may be unlawful. Unless indicated to the contrary: it does not constitute professional advice or opinions upon which reliance may be made by the addressee or any other party, and it should be considered to be a work in progress. Unless otherwise noted in this email or its attachments, this communication does not form a Statement of Actuarial Opinion under American Academy of Actuaries guidelines.

From: sharepoint@milliman.com [<mailto:sharepoint@milliman.com>]
Sent: Saturday, June 14, 2014 9:06 PM
To: Jill Herbold
Cc: Bryan Rivard; Brandy Wilson
Subject: AMERICAN HEALTH NETWORK SCREEN RESULTS

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

American Health Network

Request Date:	05-30-2014
Requestor:	Jill Herbold
Discipline:	Health
Company Name:	American Health Network II ("AHN")
On High Risk Client List? :	No
A.M. Best Rating :	N/A
Moody's Rating :	N/A
D&B Credit Score Class :	3 (Moderate risk of severe payments delinquency over the next 12 months)
D&B Financial Stress Class :	3 (Moderate risk of severe financial stress, such as bankruptcy, over the next 12 months.)
WorldCheck Rating :	N/A;
Ownership :	

AHN, based in Indianapolis, IN and formed in 1994 by Dr. Ben Park and a group of physicians, is a private physician and employee owned PPO operating in Indiana and

Ohio. In July 2012, Franciscan Alliance and American Health Network formed an Accountable Care Organization (ACO) to participate in the Medicare program.

Officers :

The officers named below were profiled using Google and Factiva sources and were screened for criminal/civil litigation using LexisNexis. Insofar as my research indicates, there is no evidence of issues of an adverse nature for the noted officers. The individuals screened are as follows:

- **President/CEO:** Mr. Ben H. Park, MD: Limited bio information on Dr. Park is available here: <http://www.ahni.com/find-a-provider/?mode=detail&id=122>
- **CFO/COO:** Mr. Mike Kirschner: Mr. Kirschner has held this role since 1996.

Prior Health Risk Assessment :

N/A

Noteworthy News :

A scan of local and national newspapers, news wires, trade journals, transcripts and Internet search engines yields no evidence of negative coverage of AHN. Most attention by the media was paid to health announcements, executive or physician placements within the PPO and the like, with examples below. For your interest, AHN offers news items exemplifying the nature of its operations at its website here : <https://www.ahni.com/News.html>

- **June 2013:** Three years ago, the physician practice American Health Network (AHN) was concerned that the boom in employer on-site clinics would hurt its business. So it launched a program aimed at managing the health of employers' workers. And it has come up with some impressive results. "The real impact comes from the personal relationship with the nurse," said Mary Delaney, director of the employee health program at American Health. "That is what is missing in health care." She noted, for instance, that efforts to help an employee stop smoking are likely to be futile unless they also address the stressors in a person's life, which lead him or her to smoke. And that can only be done via a relationship that develops in recurring conversations. American Health now serves 13 employers with roughly 8,000 people on their health plans. (Source: *The Indianapolis Business Journal*, June 3, 2013).

- **July 2012:** Franciscan Alliance and American Health Network have forged an agreement in accord with Centers for Medicare and Medicaid (CMS) The Franciscan AHN Accountable Care Organization is among the first selected nationally to participate in the Medicare Shared Savings Program, a new multifaceted service sponsored by CMS. (Source: *IndyStar*, Jul 17, 2012)

Litigation History :

Screening for litigation using news sources, Internet search engines, and Lexis' state and federal cases database and dockets, research discovered minimal evidence of litigation concerning AHN, primarily addressing employee driven issues regarding allegations of a variety of forms of discrimination, with no evidence of negative results to the entity. In addition, to the extent of my research, I found no evidence of AHN's

involvement in litigation with financial or actuarial advisors.

Comments :

As a note, AHN was initially screened by Chelo Gable for Jill Herbold in September 2012.

At the executive management level, AHN continues to screen acceptably with no changes at the screened executive level. Insofar as my research indicated, the noted officers associated with AHN do not appear to be involved currently in any personal litigation, professional misconduct or criminal activity.

At the entity level, research found no evidence of recent adverse attention through either media coverage or litigation activity with AHN.

Regarding AHN's financial condition, however, D&B's analysts' most recent report released February 27, 2014 offers a softening of AHN's ratings picture with a downgraded assigned Credit Score Class rating of "3", down from an excellent "1" in our initial screen, and a marginally acceptable Financial Stress Class rating of "3", unchanged. The ratings are indications of an entity judged to experience a greater, but moderate, risk of payment issues and financial distress in the near term.

To the extent of my research, although the entity continues to avoid adverse media coverage and litigation experiences, the downgrade in its rated Credit Score Class suggests you may give cautionary consideration to a retainer. However, I found no evidence to suggest a continued engagement in business with AHN poses undue risk to Milliman in the near term.

Jill, should you require additional information regarding AHN, please do not hesitate to contact me and I will be happy to assist you.

- Dave

NOTE: Please do not reply to this automated notice.

**AMERICAN HEALTH NETWORK, INC.**

D-U-N-S® 87-288-7997

Headquarters(Subsidiary)
10689 N Pennsylvania St
Ste 200,
Indianapolis, IN 46280

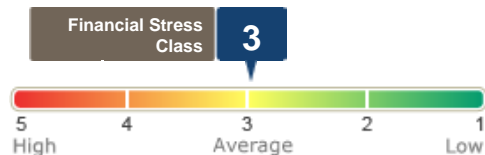
Phone 317 580-6309
Fax 317-580-3699

Advanced Scoring Report

Purchase Date: 06/14/2014
Last Update Date: 02/27/2014
Attention: dave

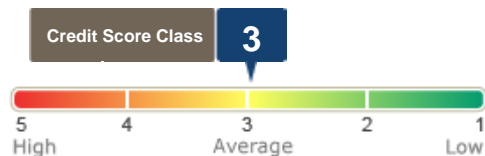
Executive Summary**Company Info**

Year Started	1994	Employees	1,170
Control Year	1998	Employees Here	80 at this location
CEO	BEN PARK, CEO	Trade Styles	(SUBSIDIARY OF AMERICAN HEALTH NETWORK OF OHIO PROFESSIONAL CORPORATION, COLUMBUS, OH)

Predictive Analytics**Financial Stress Class**

The Financial Stress Class of 3 for this company shows that firms with this class had a failure rate of 0.24% (24 per 10,000).

Financial Stress Class	3
Financial Stress Score	1,476
Highest Risk	1,001
Lowest Risk	1,875

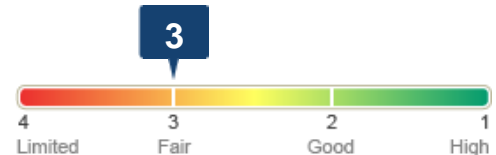
Credit Score Class

The Credit Score class of 3 for this company shows that 5.80% of firms with this classification paid one or more bills severely delinquent.

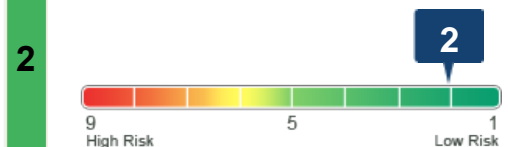
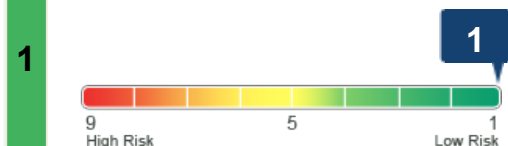
Credit Score Class	3
Credit Score	497
Highest Risk	101
Lowest Risk	670

D&B Rating

D&B Rating

1R3**Composite Credit Appraisal****D&B Viability Rating**

D&B Viability Rating

2 1 B Z**Viability Score****Portfolio Comparison****Data Depth Indicator****Company Profile**



Z

Subsidiary

Business Information

Business Summary

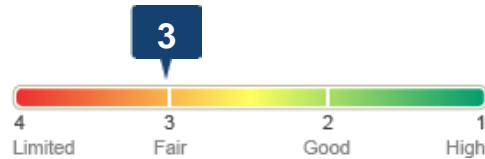
Branch & Division	YES
SIC	8011 Medical doctor's office
NAICS	621111 Offices of Physicians (except Mental Health Specialists)
History Status	CLEAR

Credit Capacity Summary

D&B Rating

1R3

Composite Credit Appraisal



Prior D&B Rating 1R3

Rating Date 02/22/2008

Payment Activity (based on 166 experiences) USD

Average High Credit \$7,821

Highest Credit 100,000

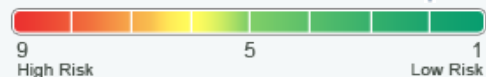
Total Highest Credit 1,046,050

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

2

Viability Score

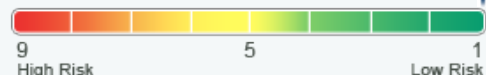


Compared to All US Businesses within D&B Database:

- Level of risk: **Low Risk**
- Businesses ranked 2 have a probability of becoming no longer viable: **2%**
- Percentage of businesses ranked 2: **4%**
- Across all US businesses, the average probability of becoming no longer viable: **14%**

1

Portfolio Comparison



Compared to all Businesses within the same MODEL SEGMENT:

Model Segment: **Established Trade Payments**

- Level of risk: **Low Risk**
- Businesses ranked 1 within this model segment have a probability of becoming no longer viable: **2%**
- Percentage of businesses ranked 1 within this model segment: **11%**
- Within this model segment, the average probability of becoming no longer viable: **5%**



Decide with Confidence

B**Data Depth Indicator****B****Data Depth Indicator Details:**

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

Greater data depth can increase the precision of the D&B Viability Rating assessment.

You have the ability to influence the confidence of the viability assessment by asking the business to report more information to D&B at <https://iupdate.dnb.com/iUpdate/>

Z**Company Profile****Subsidiary****Special Events**

As of 11/04/2013

Business address has changed from 10333 N Meridian St Ste 450, Indianapolis, IN, 46290 to 10689 N Pennsylvania St Ste 200, Indianapolis, IN, 46280.

Industry Data**SIC**

Code	Description
80119901	General and family practice, physician/surgeon

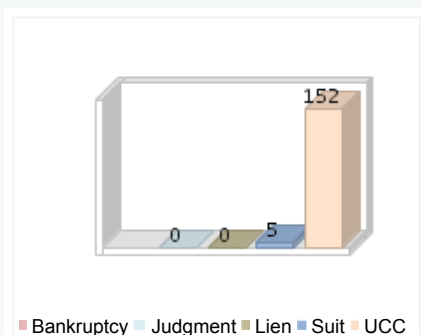
NAICS

Code	Description
621111	Offices of Physicians (except Mental Health Specialists)

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
Judgment	0
Lien	0
Suit	5
UCC	152

Public Filings**Commercial Credit Score**



Decide with Confidence

Summary

Credit Score Class



Incidence of Delinquent Payment

Among Companies with This Class	5.80%
Average Compared to All Businesses	10.20%
Credit Score Percentile	49
Credit Score	497
Number of Payment Experiences	166

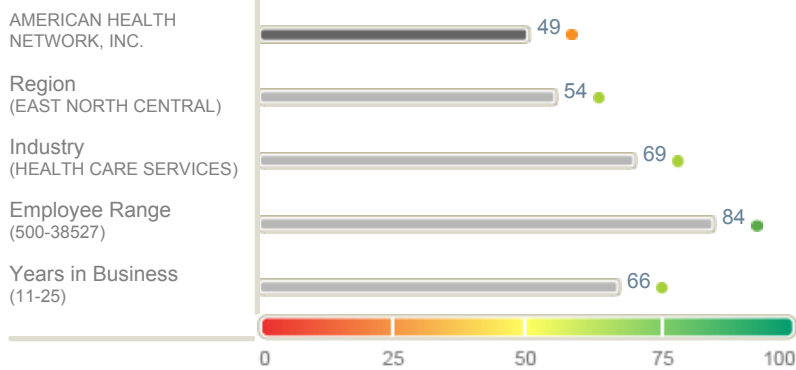
Key Factors

- Proportion of past due balances to total amount owing
- Proportion of slow payments in recent months
- Increase in proportion of delinquent payments in recent payment experiences
- Evidence of open suits
- Higher risk industry based on delinquency rates for this industry

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 scorecard approach to determining overall business performance.

Credit Score Percentile Norms Comparison



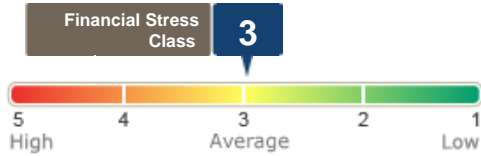
- Higher risk than other companies in the same region.
- Higher risk than other companies in the same industry.
- Higher risk than other companies in the same employee size range.
- Higher risk than other companies with a comparable number of years in business.

Financial Stress Score



Summary

Financial Stress Class



Financial Stress Score Percentile

Financial Stress National Percentile	49
Financial Stress Score	1476
Probability of Failure with This Score	0.24%
Failure per 10K	24/10,000
Average Failure Rate within D&B database	0.48%
Failure per 10K	48/10,000
Number of Payment Experiences	166

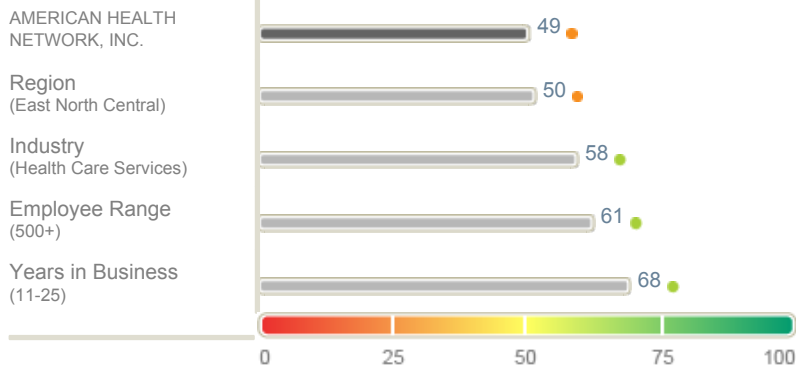
Key Factors

- Composite credit appraisal is rated fair.
- UCC Filings reported.
- High number of inquiries to D&B over last 12 months.
- Low proportion of satisfactory payment experiences to total payment experiences.
- High proportion of past due balances to total amount owing.

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



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