

CreditAI: Cutting edge credit diligence platform



Our Team

We are a team of individuals with financial services experience and deep AI expertise from leading technology companies



Chris, CEO

Product Director, Studio AI at Netflix
Fundamentals Investor at Sansome Partners



Mark, Chief Architect

Staff AI Researcher at Splunk
Portfolio Manager at Stevens Capital Management



Forrest, CTO

Distributed Computing Tech Lead at Google, Opendoor



Leo, Chief Scientist

Head of AI/ML at Cloudtrucks, Opendoor
Stanford Statistics PhD



Ronak, Sr Software Engineer
UC Berkeley EECS



Joe, Sr Software Engineer
MIT EECS



Ishan, Sr Software Engineer
Purdue EECS

The Growing Importance of Credit Covenants

Rising interest rates and economic uncertainty increase lender scrutiny.

Covenant-heavy structures are becoming more common in private credit deals.

Lenders need faster, more accurate risk assessments to mitigate defaults.

Real-World Example: The J.Crew Trapdoor Case - Lenders overlooked a small detail in J.Crew's credit agreement, which allowed the company to transfer valuable assets beyond creditor reach.

Distressed Borrowers Sneak Collateral Through 'Trapdoors'

Some troubled companies are moving valuable assets out of their lenders' reach through weaknesses in financial credit agreements

By *Aisha Al-Muslim*

Aug. 26, 2020 2:07 pm ET | **WSJ PRO**



J.Crew Group Inc. in 2016 pioneered the practice of moving collateral into so-called unrestricted subsidiaries in an effort to raise rescue financing. PHOTO: ANGELA WEISS/AGENCE FRANCE-PRESSE/GETTY IMAGES

CreditAI is our **credit investment copilot** for deep diligence and risk mitigation, built on Gradient's FinanceOS

The Challenges

Securities documents (particularly credit agreements) are exceptionally complex, making it difficult for analysts to accurately understand the agreement and answer key diligence questions

ChatGPT alone provides poor accuracy on these tasks, rendering AI useless

Example - finding the revolving credit commitment

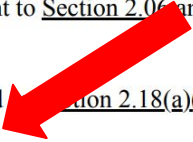
ARTICLE 2 THE CREDITS

Section 2.01 Commitments.

Subject to the terms and conditions set forth herein, (a) each Revolving Lender severally agrees to make Revolving Loans in Dollars and, after any Alternative Currency Effective Date, each applicable Alternative Currency, to the Borrower during the applicable Availability Period in an aggregate principal amount that will not result in (i) the Dollar Equivalent of such Revolving Lender's Revolving Credit Exposure exceeding such Revolving Lender's Revolving Commitment or (ii) the sum of the Dollar Equivalents of the total Revolving Credit Exposures of all Revolving Lenders exceeding the total Revolving Commitments of all Revolving Lenders and (b) each Initial Term Lender severally agrees to make to the Borrower Initial Term Loans in an amount equal to such Initial Term Lender's Initial Term Commitment on the Third Restatement Effective Date. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans. Amounts repaid or prepaid in respect of Term Loans may not be reborrowed (it being understood, however, that prepayments will be taken into account for purposes of any Prepayment-Based Incremental Facility to the extent provided by Section 2.18).

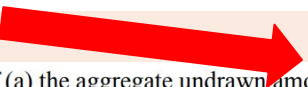
Example - finding the revolving credit commitment

“Revolving Commitment” means, with respect to each Lender, the commitment of such Lender to make Loans and to acquire participations in Letters of Credit hereunder, expressed as an amount representing the maximum aggregate amount of such Lender’s Revolving Credit Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.06 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04.



“Revolving Commitment Increase Lender” has the meaning specified in Section 2.18(a)(v).

“Revolving Credit Exposure” means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender’s Revolving Loans and its LC Exposure at such time.



“LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

Example - finding the revolving credit commitment

Section 2.18 Incremental Facilities

(a)

(i) At any time after the Third Restatement Effective Date, the Borrower may, from time to time upon notice by the Borrower to Administrative Agent specifying the proposed amount thereof, request one or more increases to an existing Class of Revolving Commitments (any such increase, the “**New Revolving Commitments**”), one or more increases to an existing Class of Term Loans (a “**Term Commitment Increase**”) or the addition of one or more new term loan facilities (each, a “**New Term Facility**” and the commitments in respect thereof, together with the commitments in respect of any Term Commitment Increase, the “**New Term Commitments**”) for itself or any Guarantor by an amount not to exceed:

(A) Solely with respect to New Revolving Commitments, an amount such that, on a term basis after giving to any such New Revolving Commitments, the aggregate amount of all Revolving Commitments does not exceed \$250,000,000 (the “**Dollar-Based Revolving Incremental Facility**”, and such amount, the “**Dollar-Based Revolving Incremental Amount**”), plus

This is a global cap, not the revolving commitment

Example - finding the revolving credit commitment

Section 2.19 Letters of Credit

(a) General. Subject to the terms and conditions set forth herein, the Borrower may request the issuance of (and subject to the terms of this Section 2.19, the applicable Issuing Bank shall issue) Letters of Credit as the applicant thereof for the support of its or its Subsidiaries' obligations, in a form reasonably acceptable to the Administrative Agent and the applicable Issuing Bank, at any time and from time to time during the Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, the applicable Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control. Notwithstanding anything herein to the contrary, (i) the Borrower shall not request, and no Issuing Bank shall issue, any Letter of Credit the proceeds of which would be made to any Person (A) to fund any activity or business of or with any Sanctioned Person, or in any country, region or territory, that at the time of such funding is a Sanctioned Country or (B) in any manner that would result in a violation of any Sanctions by any party to this Agreement, (ii) no Issuing Bank shall have any obligation hereunder to issue any Letter of Credit if the issuance of such Letter of Credit would violate one or more policies of such Issuing Bank now or hereafter in effect applicable to letters of credit generally and (iii) in no event shall Goldman Sachs Lending Partners LLC be required to issue any Letters of Credit denominated in New Taiwan Dollars.

renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the Agreed Currency applicable thereto, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the applicable Issuing Bank, the Borrower also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit, the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the Dollar Equivalent of the LC Exposure shall not exceed the LC Sublimit, (ii) the sum of the Dollar Equivalents of the total Revolving Credit Exposures shall not exceed the total Revolving Commitments, (iii) the Dollar Equivalent of the LC Exposure of the applicable Issuing Bank shall not exceed the LC Commitment applicable to such Issuing Bank and (iv) the Dollar Equivalent of the Revolving Credit Exposure of the applicable Issuing Bank shall not exceed the Revolving Commitment of such Issuing Bank.

Example - finding the revolving credit commitment

“**LC Exposure**” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC reimbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Lender at any time shall be its Available Percentage of the total LC Exposure at such time.


“**LC Sublimit**” means the lesser of (a) \$100,000,000 and (b) the aggregate unused amount of the Revolving Commitments then in effect; *provided* that no Issuing Bank shall be required to issue Letters of Credit in an aggregate amount outstanding at any time in excess of such Issuing Bank’s LC Commitment.

Example - finding the revolving credit commitment

Gradient answers this question correctly, but chatGPT gets this answer wrong.

whats the amount committed in this credit agreement?

The total commitment amount in this credit agreement includes:

1. **Initial Term Loan Commitments:** \$1,000,000,000.
2. **Revolving Credit Commitments:** Up to \$250,000,000  .

Easily Analyze Credit Documents

CreditAI automatically interprets 100-page credit documents and outputs critical information about the loan agreement.

Gradient CreditAI
Peloton 2024 Credit Agreement.pdf

Covenants	Group	Details
Other Financial Covenants	FINANCIAL	<ul style="list-style-type: none">• First Lien Net Leverage Ratio: This covenant measures the ratio of total net indebtedness secured by a lien to consolidated adjusted EBITDA. It applies to loan agreements where the borrower's assets are used as collateral.• Fixed Charge Coverage Ratio: This covenant measures the ratio of consolidated adjusted EBITDA to consolidated fixed charges. It applies to loan agreements where the borrower's ability to cover fixed financial obligations is assessed.• Senior Secured Net Leverage Ratio: This covenant measures the ratio of senior secured indebtedness to consolidated adjusted EBITDA. It applies to loan agreements involving senior secured debt.• Total Net Leverage Ratio: This covenant
Limitations On Affiliate Transactions	NEGATIVE	<p>The negative covenants related to limitations on affiliate transactions are detailed in the Third Amended and Restated Credit Agreement, specifically in Section 6.07 Transactions with Affiliates. The key points are:</p> <ul style="list-style-type: none">• The Borrower and its Subsidiaries are restricted from engaging in transactions with Affiliates unless:<ul style="list-style-type: none">◦ The terms and conditions are not less favorable to the Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties.◦ Payment of customary directors' fees, reasonable out-of-pocket expense reimbursement, indemnities, and compensation arrangements for members of

KEY TERMS KEY COVENANTS WAIVERS & AMENDMENTS

128 sources

"**Interim Agreement**" means a joint agreement in form and substance reasonably satisfactory to the Administrative Agent.

"**Judgment Currency**" has the meaning set forth in Section 9.19.

"**Latest Maturity Date**" means, at any date of determination, the latest maturity or expiration date applicable to any Loan or Commitment hereunder at such time.

"**LC Commitment**" means, with respect to each Issuing Bank, the commitment of such Issuing Bank to issue Letters of Credit hereunder. The total amount of each Issuing Bank's LC Commitment is set forth on Schedule 2.01, or if an Issuing Bank has entered into an Assignment and Assumption or become an Issuing Bank pursuant to an agreement designating it as provided in Section 2.02(a), the amount set forth for each Issuing Bank as its LC Commitment in the Register maintained by the Administrative Agent or in such agreement.

"**LC Disbursement**" means a payment made by an Issuing Bank pursuant to a Letter of Credit.

"**LC Exposure**" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

"**LC Sublimit**" means the lesser of (a) (\$100,000,000) and (b) the aggregate unused amount of the Revolving Commitments then in effect, provided that no Issuing Bank shall be required to issue Letters of Credit in an aggregate amount outstanding at any time in excess of such Issuing Bank's LC Commitment.

"**LC Election**" has the meaning set forth in Section 1.07.

"**LC Test Date**" has the meaning set forth in Section 1.07.

"**Lender-Related Person**" has the meaning set forth in Section 9.03(b).

"**Lenders**" means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term "Lenders" includes the Issuing Banks.

"**Letter of Credit**" means (a) each Existing Letter of Credit and (b) any letter of credit issued (or deemed to be issued) under and pursuant to this Agreement.

30

100% +

Audit and View Sources

Trace the key terms and reasoning throughout the legal contract.

Gradient CreditAI
Peloton 2024 Credit Agreement.pdf

Key Term	Definition
Borrower	<ul style="list-style-type: none"> The Borrower is Peloton Interactive, Inc., a Delaware corporation. This applies to the Third Amended and Restated Credit Agreement and related financial agreements.
Guarantor	The Guarantor is any Domestic Subsidiary (not including an Excluded Subsidiary) of the Borrower, Peloton Interactive, Inc., that has delivered a Guaranty or a joinder agreement to a Guaranty pursuant to Section 5.10. Additionally, any Foreign Guarantor and the Borrower itself, other than with respect to its own Obligations, are considered Guarantors. This applies to the Third Amended and Restated Credit Agreement.
Amount Committed	<p>The commitments are as follows:</p> <ul style="list-style-type: none"> Initial Term Commitment: \$1,000,000,000 (applies to the Initial Term Loans) LC Sublimit: Lesser of \$100,000,000 or the aggregate unused amount of the Revolving Commitments (applies to Letters of Credit) <p>These commitments apply to the respective loan and debt agreements as specified in the reference material.</p>
	<p>The incremental amounts are:</p> <ul style="list-style-type: none"> Dollar-Based Revolving Incremental Amount: Up to \$250,000,000.

10 sources

- Commitment
- Initial Term Commitment
- LC Commitment
- LC Sublimit
- New Revolving Commitment
- New Term Commitment
- Revolving

"Joinder Agreement" means the agreement by which a Guarantor joins the Borrower as a party hereto pursuant to an Assignment and Assumption, other than any such Person that enters to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term "Lenders" includes the Issuing Banks.

"Letter of Credit" means (a) each Existing Letter of Credit and (b) any letter of credit issued (or deemed to be issued) under and pursuant to this Agreement.

Track and Review Past Investment Agreements

Quickly review key details from past agreements to ensure ongoing adherence to covenants.

Gradient CreditAI

[UPLOAD DOCUMENT](#)

Name	Upload Date	Status
J Crew Loan Agreement.pdf	Feb 6, 2025	Processing
Peloton 2024 Credit Agreement.pdf	Feb 6, 2025	Processed

Demo

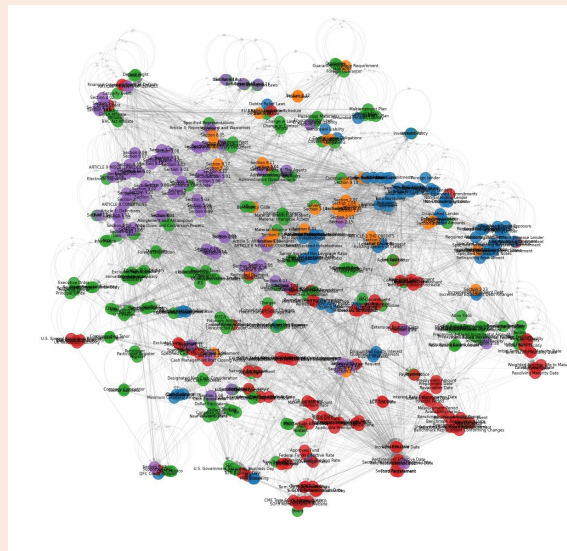


Built on Top of Gradient's **Graph-Based Financial Knowledge Engine**

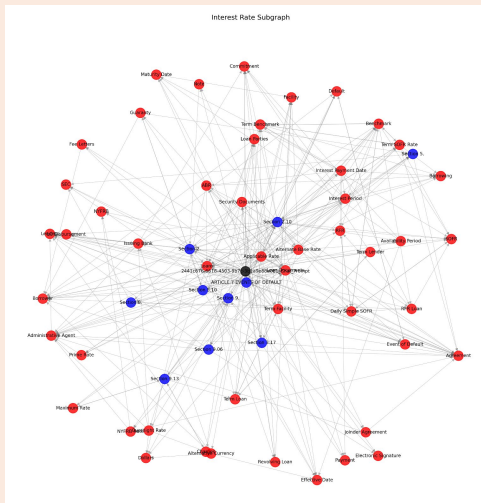
We automatically turn 150 page securities contracts...

... into semantically and logically linked concepts

EXECUTION VERSION	
Exhibit A to Amendment and Restatement Agreement	
THIRD AMENDED AND RESTATED CREDIT AGREEMENT	
dated as of	
May 30, 2024	
among	
PELOTON INTERACTIVE, INC.,	
The Lenders Party Hereto	
and	
JPMORGAN CHASE BANK, N.A.,	
as Administrative Agent	
JPMORGAN CHASE BANK, N.A. and GOLDMAN SACHS LENDING PARTNERS LLC,	
as Lead Arrangers and Joint Bookrunners	



Gradient's Financial Knowledge Engine understands complex financial reasoning to deliver high accuracy results, with no hallucination

**• Applicable to Initial Term Loans:**

- ABR Loan: 5.00% per annum
- Term Benchmark Loan: 6.00% per annum

• Applicable to Revolving Loans:

- ABR Loan: 4.00% per annum
- Term Benchmark Loan: 5.00% per annum
- Commitment Fee: 0.50% per annum

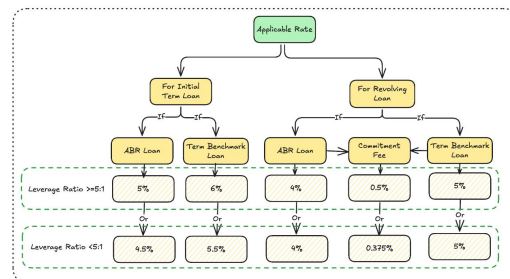
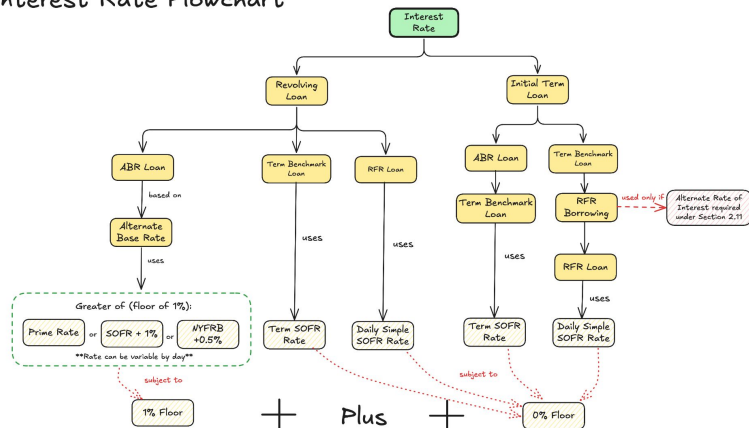
• Alternate Base Rate (ABR):

- Greatest of:
 - Prime Rate
 - NYFRB Rate plus 0.5%
 - Term SOFR Rate plus 1%
- Minimum ABR for Revolving Facility and Initial Term Facility: 1.00%

• Floor:

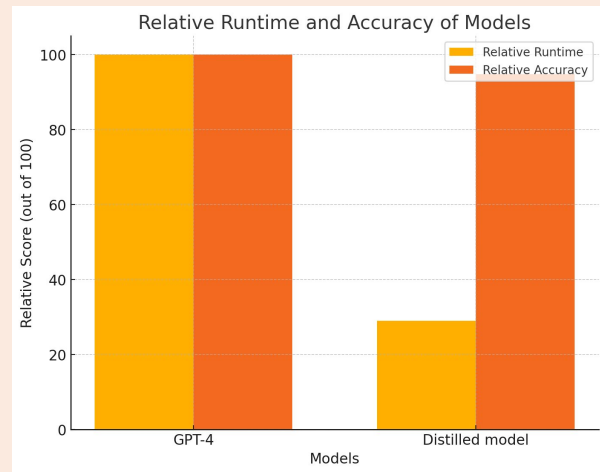
- Term SOFR Rate or Daily Simple SOFR: Zero for both Revolving Facility and Initial Term Facility

Interest Rate Flowchart



Under the Hood

- Autonomous extraction of agglomerative element hierarchy
- Custom distilled LLM fine-tuned for finance semantic referencing (3x faster than GPT4 with no loss in accuracy)
- Agentic GraphRAG ensemble indexer
- RL + MCTS optimized reasoning system for increased accuracy (98% pass rate on expert eval)



Conduct Deep Diligence on Credit Agreements with Ease and Peace of Mind

Up Next:

- Users can conduct further research and diligence on these credit agreements using an intuitive chatbot interface.
- AI copilot to apply industry context and investment preferences to provide further insights on the credit opportunity.

Comprehensively identify your risks and achieve deep diligence using **Gradient's CreditAI**