

SUBJECT: EASTWEST CONTRACTORS INC.

**CREDIT REPORT CONSULTANT**

DATE 2011-12-23

**ATTENTION OF**Test Josée  
Josée Verret**SUBJECT**EASTWEST CONTRACTORS INC.  
1111, First Avenue W  
London (ON) M1M 2M2**Phone:** 519-555-1212  
**Fax:** 519-555-1213  
**E-Mail:** jverret@marathon-ltd.com  
**Website:** www.eastwestcontractors.test  
**Tax Id:** 12-0000000**Specialization:** General contractor specialized in residential and industrial projects.**Legal structure:** Company registered under the chartered laws of the province of Ontario on January 23rd 1980 under the number 141144444.

Head office: 1111, First Avenue W London ON Location 5656 Pierre Belvédère street Laval QC

**ADMINISTRATOR(S)****President:** John Smith, 1111, Main Street, London, E1E 1E1  
**Vice-president:** Joana Smith, 11122, Residential Street, london, E1E 3C2  
**Secretary-treasurer:** Henry Smith, 11139, Main Street, London, E1E 1E1  
**Notes:** Major shareholder: Smith and Smith in Trust. Directors: Wilfred Wilson, Henry Jamieson**FINANCIAL INSTITUTION**Banque du Canada  
740 Lebourgneuf blvd  
London (ON) E1E 1E1  
**Phone:** 519-623-4763  
**Fax:** 519-623-7630**Account number:** 418-623-1212  
**Open since:** Over 3 years**Current account:** Low 6 figures  
**Fluctuation:** Not available  
**Line of credit:** Low 7 figures  
**Used (%):** 60%  
**Non-sufficient funds:** None in the last 3 months  
**Collaterals:** The financial institution has guarantees on the said line and loan.  
**Loans:** The subject has another loan**Notes:** Term loan authorized at low 7 figures, balance of mid 6 figures.**CONTACT**740, boulevard Lebourgneuf, suite 10-B, Québec (Québec) G2J 1E2  
Phone 418 623-4763 Fax 418 623-7630  
E-mail [marathon@marathon-ltd.com](mailto:marathon@marathon-ltd.com)**TOLL FREE**Phone 1 800 667-2111  
Fax 1 888 333-0174

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## FINANCE

**Number of employee(s):** \*70 regular \*100 high period  
**End of financial year:** 2011-12-31  
**Revenue:** 25,000,000\$  
**Assets:** \$12,000,000\$  
**Liabilities:** \$6,000,000.  
**Equity:** \$6,000,000\$  
**Profits/Losses:** 2,500,000\$  
**Working capital\*:** \$3,500,000\$  
**Other(s):** EDITA: 4M\$ \* Multiple 5 = 20M\$ - 4M\$, Value of the shares: 16M\$  
Financial statement: Available

\*Working Capital = Current Assets – Current Liabilities

## OWNERSHIP STATUS

Owner: Eastwest Holding II Inc., affiliated company  
Tenant: Annual rent: 60,000\$

**Mortgage creditor:** Bank of Canada  
**Land:** 789,000\$  
**Building:** 6,700,000\$  
**Monthly rent:** Nil  
**Surface area:** 35,000 square feet  
**Lease expires:** Nil  
**Information received by:** Mrs Joana Smith, vice-president, supplied financial information

## ACCOUNTING FIRM

Comptable AAA et Ass.  
**AIS** Armand Allair  
1250 Michael Street  
London (ON) H1H 1H1  
**Phone:** 519-555-5555  
**Fax:** 519-555-5556

### CONTACT

740, boulevard Lebourgneuf, suite 10-B, Québec (Québec) G2J 1E2  
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**PAYMENT INDEX**

TYPE OF INDUSTRY	CUSTOMER SINCE	ANNUAL SALES	HIGHEST CREDIT	ACTUAL BALANCE	TENDENCIES OF PAYMENT	GUARANTEES	CREDIT RATING
building Material	2000	N/A	150,000\$	100,000\$	40 days	None	Good
<b>CREDIT LIMIT</b>		150,000\$		<b>SUPPLIER</b>		Supplier 1	
<b>COMMENTS</b>		The terms of payment are net 30 days. No NSF. Date of the last transaction: March 1st 2012.					

TYPE OF INDUSTRY	CUSTOMER SINCE	ANNUAL SALES	HIGHEST CREDIT	ACTUAL BALANCE	TENDENCIES OF PAYMENT	GUARANTEES	CREDIT RATING
building material	1995	300,000\$	130,000\$	45,000\$	37 days	Preliminary notice	Good
<b>CREDIT LIMIT</b>		80,000\$		<b>SUPPLIER</b>		Supplier 2	
<b>COMMENTS</b>		The terms of payment are net 30 days No NSF. Date of the last transaction: March 6 2012					

TYPE OF INDUSTRY	CUSTOMER SINCE	ANNUAL SALES	HIGHEST CREDIT	ACTUAL BALANCE	TENDENCIES OF PAYMENT	GUARANTEES	CREDIT RATING
Windows	1998	200,000\$	140,000\$	34,000\$	45 days	None	good
<b>CREDIT LIMIT</b>		50,000\$		<b>SUPPLIER</b>		Supplier 3	
<b>COMMENTS</b>		The terms of payment are net 30 days. No NSF. Date of the last transaction: February 29 2012					

TYPE OF INDUSTRY	CUSTOMER SINCE	ANNUAL SALES	HIGHEST CREDIT	ACTUAL BALANCE	TENDENCIES OF PAYMENT	GUARANTEES	CREDIT RATING
Concrete	15 years	450,000\$	150,000\$	50,000\$	30 days	preliminary notice	Excellent
<b>CREDIT LIMIT</b>		100,000\$		<b>SUPPLIER</b>		Supplier 4	
<b>COMMENTS</b>		The terms of payment are net 30 days No NSF. Date of the last transaction: March 4 2012					

**CHATTEL MORTGAGE**

See attached document

**PUBLIC RECORDS**

After verification of public records, no file was found regarding the subject.

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**RECOMMENDATIONS**

RISK	SUGGESTED LIMIT	APPROVED P/O	TERMS	ANALYST
low	150,000\$	yes	net 30 days	Josée Verret
<b>SECURITY</b>		*See recommendation (construction lien)		
<b>COMMENTS</b>		The company is registered under the chartered laws of the province of Ontario since January 23 1990 showing a well established organization with good stability. The company is a general contractor . The principal shareholder is Smith and Smith in Trust. Bank information shows a current account opened 3 years ago with a balance of low 6 figures (approximately 150K to 200K) which fluctuates with the line of credit authorized at low 7 figures (approximately 2M\$ to 3M\$) used at *60% *average used is 65%. The company has a term loan authorized at low 7 figures (approximately 1M\$ to 2M\$) with a balance of mid 6 figures (approximately 500K), good standing. The supplier mentioned a good relationship with their client. Legal search shows no record. Financing search (see attachment). We recommend a limit credit of 150K with net 30 days terms. We strongly recommend carrying a title of deed and notify your contract to each parties involved.		

**RISK ASSESSMENT**

**Low credit risk:** Your customer represents little or no risk.

**Moderate credit risk:** A marginal customer with weak assets, requiring control of the authorized credit line and strict follow-up.

**High credit risk:** Your customer does not qualify for a credit line. In this case, our expertise serves to determine a solution based on registering one or more securities to protect your account receivable in case of default. In the absence of solutions, we will recommend cash in advance.

**AVIS IMPORTANT / NOTICE**

Ce rapport est fourni de façon strictement confidentielle et ne doit être utilisé que pour établir votre évaluation de crédit. Nous vous référons à notre contrat principal afin d'établir les responsabilités de chacune des parties. / *This report is furnished strictly on a confidential basis and can only be used for credit evaluation. Refer to contract for mutual responsibilities.*

For more information on this report please refer to this file number E20120111717 and ask JOSEE VERRET

**END OF THE REPORT**
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