

Private & Confidential

Prepared For:

Chris C Client
1 Broadway
New York, NY 10015

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SAMPLE REPORT

August 28, 2015

Scope and Methodology

Global Backgrounds (Global) was retained by Mr. Client to prepare a due diligence report on ABC ENERGY CO.

The purpose of the report was to uncover any issues that may be of concern to Mr. Client, including corporate history, corporate filings, assets, civil judgments, credit rating, uniform commercial code results, and a derogatory media reports. To compile the report, Global researched records in local, state and federal jurisdictions. This research was conducted using publicly available records. Additionally, Global retrieved ABC ENERGY CO. Energy's credit report and conducted a comprehensive media search, inclusive of regulatory filings by ABC ENERGY CO. Energy.

The contents within this report are detailed records we found and our summary of those records. This report does not contain opinion, analysis nor recommendation by Global Backgrounds.

Executive Summary

A comprehensive profile report has been compiled on the subject, ABC ENERGY CO. Global positively located and identified the subject ABC ENERGY CO and its primary place of business as 123 Main St, Lexington, KY. As a corporation, ABC ENERGY CO has changed its name, location, management and business focus multiple times from 1994 to present. Currently, the company is engaged in the business of oil exploration and production in the U.S. states of Tennessee and Kentucky.

ABC ENERGY CO has one full time employee, a Mr. Scott Subject, who is the Chief Executive Officer. Mr. Scott Subject has held this position since September 27, 2007. Additionally, according to company filings, ABC ENERGY CO has two part time employees and leverages the services of various consultants. As of December 31st, 2014, ABC ENERGY CO owns approximately 1800 hectares of leasehold interests with 38 oil producing wells. An analysis of these interests was completed by an independent consultant, Lee Keeling and Associates, at the request of ABC ENERGY CO. This analysis, as of December 31st, 2014, can be found in Appendix C. ABC ENERGY CO has one independent director, Mr. David Director.

ABC ENERGY CO currently has three unsatisfied liens outstanding, all related to its past business activities while known as ACME Entertainment. These liens total \$210,546.

ABC ENERGY CO currently has one judgment outstanding, related to its past business activities while known as ACME Entertainment. This judgment is in the amount of \$41,774.

ABC ENERGY CO's corporate credit report indicates a medium to high level of risk related to extending the company credit.

According to ABC ENERGY CO's regulatory filing for the first quarter of 2015, ABC ENERGY CO has revenue for the first three months of 2015 of \$117,575. Additionally, ABC ENERGY CO has \$164,046 of current assets, \$1,879,919 of total assets and \$3,666,300 of current liabilities. The current liabilities include accrued expenses of \$565,195 which consist of \$154,000 in taxes due, \$57,366 in consulting expenses to Mr. Sam Subject Sr., who is Mr. Scott Subject's father, and \$170,000 in amount owed to Mr. Sam Subject Sr. as the creditor of a secured line of credit. To view the detailed regulatory filings, please see Appendix A for the 2014 annual filing and Appendix B for the 1st quarter 2015 filing.

In addition to owing Mr. Sam Subject Sr. the accrued expenses mentioned above, ABC ENERGY CO also enters lease agreements with Mr. Sam Subject Sr., whereby the two parties frequently split costs and profits for company operations. These transactions are detailed in the annual filing.

The derogatory media records found include individuals expressing dissatisfaction with the company providing limited updates and not answering inquiries by investors. These records are from 2013.

In 2009, Mr. Scott Subject changed the direction of the company to focus on oil exploration and production in Tennessee and Kentucky. The company changed its name to ABC ENERGY CO.

In 2009, the existing \$250,000 credit line was extended another \$50,000, bringing the total to \$400,000.

Since 2009, the terms of the credit line have been amended multiple times. According to the 2014 annual filing, *“the lender is entitled to take possession of our assets. Events of default include, among other items, (i) a failure to pay the obligations when due, (ii) a judgment in excess of \$10,000, (iii) appointment of a receiver or an event of bankruptcy, or (iii) a breach by us of any covenant of the Security Agreement. Under the terms of the Security Agreement, we also agreed not to take certain actions, including:*

- *not incur additional indebtedness, other than trade payables and certain permitted liens,*
- *declare or pay any dividends on our securities,*
- *prepay any indebtedness,*
- *make any advances or loans to any person,*
- *assume, guaranty or otherwise become liable for the debt of any other person,*
- *enter into any merger, consolidation or other reorganization or acquire all or any assets of another business,*
- *form a subsidiary or enter into any partnership or joint venture,*
- *materially change the nature of our business,*
- *enter into any transaction with an affiliate except in the ordinary course on arms-length terms or*
- *bill any receivable under any other name than our corporate name.”*

Comprehensive Business Report: Summary

Client	Chris C Client	Date Received	September 25, 2015
Case Number	7000	Date Completed	September 28, 2015
Subject identifying information			
Subject Name	ABC ENERGY CO.	Date Incorporated	May 17, 1994
Current Address	123 Main St Lexington, KY	Tax ID Number	13-888XXXX

Category	Results	Comments	Page
Subject Identification	✓	Validated	6
Address	✓	Validated	6
Subsidiaries	✓	1 Record Found	6
Corporations	✓	No Record Found	6
Property	✓	No Record Found	6-7
Financial			
Bankruptcy	✓	No Record Found	7
Liens	⊘	3 Records Found	7-9
Judgments	⊘	1 Record Found	9-10
Business Affiliations	✓	No Record Found	12
Experian Credit Report	⊘	Rating: Medium to High Risk	14
UCC Results	✓	5 Records Found, All Expired	10-12
Employees	✓	1 Employee Found	12
Media Report	⊘	Derogatory Records Found	13

SAMPLE REPORT

Comprehensive Business Report: Detailed Data

Please see the following pages for detailed data

Subject Identification

ABC ENERGY CO.
123 Main Street, Lexington, KY 12345
612-555-0123
D-U-N-S® Number: 88-XX-XXXX
Federal ID Number: 13-888XXXX
Industry: 13110100 - Crude Petroleum And Natural Gas Production

Subsidiaries

Micro-computer and Storage
1000 C St, Boston, MA
D-U-N-S® Number: 11-721-XXXX

Corporations

No additional corporations found

Property Deeds

No property deed records found

Property Assessments

No property assessment records found

Property Foreclosures

No property foreclosure records found

Evictions

No eviction records found

Aircraft Records

No aircraft records found

Bankruptcy Filings

No bankruptcy filings found

Liens

3 lien records found

Record #1

Filing Date: 11/28/2011

Received Date: 01/25/2012

Debtors:

Business Name: ACME ENTERTAINMENT.

Business Link Number: 14964XXXX

Business D-U-N-S® Number: 02-992-XXXX

Address: 123 Main Street, Lexington, KY 12345

Business Name: ABC ENERGY CO.

SAMPLE REPORT

Business Link Number: 442230XXXX
Business D-U-N-S® Number: 88-446-XXXX
Address: 123 Main Street, Lexington, KY 12345

Holders:

Business Name: CA FRANCHISE TAX BOARD
Filing Number: 11-7292777777 (File No.)
Filing Office Link Number: 1807680777
Filing Office D-U-N-S® Number: 36-153-7777
Filing Office Name: SECRETARY OF STATE/UCC DIVISION
Filing Address: 1500 - 11TH STREET RM 205, SACRAMENTO, CA 95814 (Sacramento COUNTY)

Status: Open

Status Date: 11/28/2011
Lien Amount: \$166,857.00
Lien Type: Tax
Lien Holder Government Level: State

Record #2

Filing Date: 09/18/2009
Received Date: 10/16/2009

Debtors:

Business Name: ACME ENTERTAINMENT.
Business Link Number: 4422308865
Business D-U-N-S® Number: 88-446-1773
Address: 123 Main Street, Lexington, KY 12345

Holders:

Business Name: CA EMPLOYMENT DEVELOPMENT DEPARTMENT
Filing Number: 09-1430XXX (Case No.)
Filing Office Link Number: 3014455XXX
Filing Office D-U-N-S® Number: 60-289-XXXX
Filing Office Name: LOS ANGELES COUNTY RECORDER OF DEEDS
Filing Address: 12400 E IMPERIAL HWY, RM 7211, NORWALK, CA 90650 (Los Angeles COUNTY)

Status: Open

Status Date: 09/18/2009
Lien Amount: \$1,915.00
Lien Type: Tax
Lien Holder Government Level: State

Record #3

Filing Date: 11/17/2006
Received Date: 11/26/2006

Debtors:

Business Name: ACME ENTERTAINMENT.
Business Link Number: 4422308865
Business D-U-N-S® Number: 88-446-1773
Address: 123 Main Street, Lexington, KY 12345

Holders:

Business Name: BOW & TIE, L.P.
Filing Number: 06709292XXXX (File No.)
Filing Office Link Number: 1807680XXX
Filing Office D-U-N-S® Number: 36-153-XXXX
Filing Office Name: SECRETARY OF STATE/UCC DIVISION
Filing Address: 1500 - 11TH STREET RM 205, SACRAMENTO, CA 95814 (Sacramento COUNTY)

Status: Open

Status Date: 11/17/2006
Lien Type: Judgment Lien

Judgments

One judgment record found

Record #1

Filing Number: 07-023XXXX (Case No.)
Filing Office Link Number: 301445XXX
Filing Office D-U-N-S® Number: 60-289-XXXX
Filing Office Name: RECORDER OF DEEDS
Filing Address: 12400 E IMPERIAL HWY, RM 7211, NORWALK, CA 90650 (Los Angeles COUNTY)
Filing Date: 02/02/2007
Received Date: 12/17/2009

Status: Unsatisfied

Status Date: 02/02/2007
Amount Awarded: \$41,774.00
Judgment Type: Judgment

Creditors:

Business Name: BOW & TIE, L.P.

Debtors:

Business Name: ACME ENTERTAINMENT.
Business Link Number: 442230XXXX
Business D-U-N-S® Number: 88-446-XXXX
Address: 123 Main Street, Lexington, KY 12345

UCC Filings

Five UCC filings found

Filing #1

Filing Type: Termination

Filing Number: 4037XXXX

Filing Date: 02/11/2004

Filing Time: 11:14:00

Filing Office Name: SECRETARY OF STATE/UCC DIVISION

Filing Office Address: FEDERAL & DUKE OF YORK STS, DOVER, DE 19901 (Kent COUNTY)

Debtor:

Business Name: ACME ENTERTAINMENT

Name: ACME ENTERTAINMENT

FEIN: 13-37CXXXXX

Secured Party:

Business Name: MANUFACTURERS BANK

Name: MANUFACTURERS BANK

Filing #2

Filing Type: Termination

Filing Number: 02343C0XXXX

Filing Date: 12/06/2002

Filing Time: 11:58:00

Filing Office Name: SECRETARY OF STATE/UCC DIVISION

Filing Office Address: 1500 - 11TH STREET RM 205, SACRAMENTO, CA 95814 (Sacramento COUNTY)

Debtor:

Business Name: ACME ENTERTAINMENT

Name: ACME ENTERTAINMENT

FEIN: 13-3XXXXXXX

Address: 123 Main St, Lexington, KY

Secured Party:

Business Name: DELL FINANCIAL SERVICES, L.P.

Name: DELL FINANCIAL SERVICES LP

FEIN: 74-2825828

Address: 14050 SUMMIT DR STE 101, AUSTIN, TX 78728-7134 (Travis COUNTY)

Filing #3

Filing Type: Amendment

Filing Number: 010196XXXX

Filing Date: 10/09/2001

Filing Time: 11:52:00

Expiration Date: 01/17/2006

Filing Office Name: SECRETARY OF STATE/UCC DIVISION

Filing Office Address: 1500 - 11TH STREET RM 205, SACRAMENTO, CA 95814 (Sacramento COUNTY)

Debtors:

Business Name: ACME ENTERTAINMENT

Name: ACME ENTERTAINMENT

FEIN: 13-3XXXXXXX

Address: 123 Main St, Lexington, KY

Secured Party:

Business Name: MILLOW & MILLOW, INC.

Name: MILLOW & MILLOW INC

Address: 18301 THREAD AVE STE 850, BOULDER, CO

Filing #4

Filing Type: Original

Filing Number: 0101960078

Filing Date: 01/17/2001

Filing Time: 13:44:00

Expiration Date: 01/17/2006

Filing Office Name: SECRETARY OF STATE/UCC DIVISION

Filing Office Address: 1500 - 11TH STREET RM 205, SACRAMENTO, CA 95814 (Sacramento COUNTY)

Debtors:

Business Name: ACME ENTERTAINMENT, INC.

Name: ACME ENTERTAINMENT INC

FEIN: 13-3779546

Address: 123 Main St, Lexington, KY

Secured Party:

Business Name: MILLOW & MILLOW, INC.

Name: MILLOW & MILLOW INC

Address: 1278 GLENNERY # 145, ASPEN, CO 92651 (Orange COUNTY)

Collateral Items: Type: Equipment And Proceeds

Type: Fixtures And Proceeds

Type: Inventory And Proceeds

Type: General Intangible(s) And Proceeds

Type: Chattel Paper And Proceeds

Type: Contract Rights And Proceeds

Type: Account(s) And Proceeds

Filing #5

Filing Type: Original

Filing Number: 0031461000

Filing Date: 11/06/2000

Filing Time: 16:36:00

Expiration Date: 11/07/2005

Filing Office Name: SECRETARY OF STATE/UCC DIVISION

Filing Office Address: 1500 - 11TH STREET RM 205, SACRAMENTO, CA 95814 (Sacramento COUNTY)

Debtor: Business Name: ACME ENTERTAINMENT, INC.

Name: ACME ENTERTAINMENT INC

FEIN: 13-3779546

Address: 123 Main St, Lexington, KY

Secured Party: Business Name: A+ CORPORATION

Name: LAN PLUS CORPORATION

Address: 10 WIND AVE, SACRAMENTO, CA 91745-1803 (Los Angeles COUNTY)

Collateral Item: Type: Unspecified And Proceeds

Business Affiliations

No affiliations found

Other Known Employees

No other known employees found

Media Report

www.reputablenewsoutlet.com/story

August 1st, 2013

The company has disclosed by just how much it overstated its profits.

ABC Energy Co admitted on Monday that it had overstated its profits by nearly \$500,000 over the past 7 years, the Wall Street Journal reports.

The company announced in April that it had been facing accounting problems, but the extent was not understood until now. An independent panel said managers at the company set aggressive profit targets that subordinates could not meet without inflating divisional results, the Journal said.

I am strongly feeling the social responsibility of alarming and causing trouble to our 400,000 shareholders, including domestic and international investors, as well as our clients and the authorities concerned. We will devote ourselves wholeheartedly to regain your trust and revive ABC Energy, Co. The company may face some roadblocks in its revival as it sees increased competition from North Dakota Oil Producers.

ABC Energy Co's shares fell dramatically after the company's announcement in April.

Business Credit Report

ABC Energy Co

Address:	123 Main Street Lexington, KY United States	Key Personnel:	CEO: Sam Subjectaaaaaa
Phone:	612-555-1234	SIC Code:	8062 - Gen'l Medical & Surgical Hospital
Experian BIN:	123456789	NAICS Code:	622110 - General Medical and Surgical Hospitals
Also is (or has been) operating as:		Business Type:	Corporation
Family Linkage:		Experian File Established:	January 1997
Ultimate Parent	ABC Energy Co Lexington, KY	Experian Years on File:	18 Years
Parent / Headquarters	ABC Energy Co Lexington, KY	Years in Business:	More than 21 Years
Subsidiaries	Micro-computer and Storage 1000 C St, Boston, MA	Total Employees:	1
Branches / Alternative Locations		Sales:	\$1,750,000
		Filing Data Provided by:	Kentucky
		Date of Incorporation:	05/17/1994

Current Days Beyond Terms (DBT):	1
Predicted DBT for 08/11/2010:	1
Average Industry DBT:	3

Payment Tradelines (see charts):	66
Business Inquiries (see summary):	13
UCC Filings:	6
Banking/Insurance/Leasing (see detail):	3

Payment Trend Indicator:	Stable	Businesses Scoring Worse:	60%
Lowest 6 Month Balance:	\$1,135,900	Bankruptcies:	0
Highest 6 Month Balance:	\$2,552,400	Liens (see detail):	1
Current Total Account Balance:	\$2,551,800	Judgments Filed (see detail):	2
Highest Credit Amount Extended:	\$3,025,200	Collections (see detail, summary):	3
Median Credit Amount Extended:	\$18,650		

Credit Summary

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Your Credit Ranking Score: 60

High Risk Low Risk

How to Improve Your Score?

Read our [Score Improvement Tips](#) for LaSalle Medical.

What Can Affect Your Score?

Use our [Business Score Planner](#) to find out.

3

Key Score Factors:

- Nbr of commercial accts with terms other than NET 1-30 days
- Number of commercial accounts that are not current
- Number of commercial accounts with high utilization
- Length of time on Experian's file

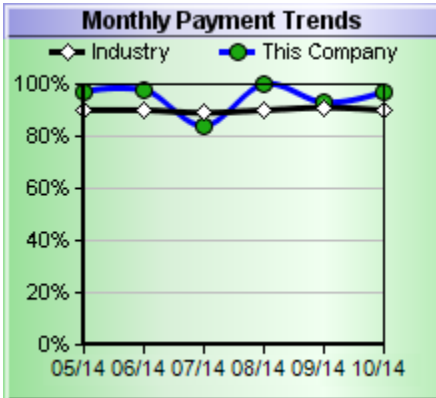
Recommended Action: Low-Medium Risk

The objective of the Credit Ranking Score is to predict payment behavior. High Risk means that there is a significant probability of delinquent payment. Low Risk means that there is a good probability of on-time payment.

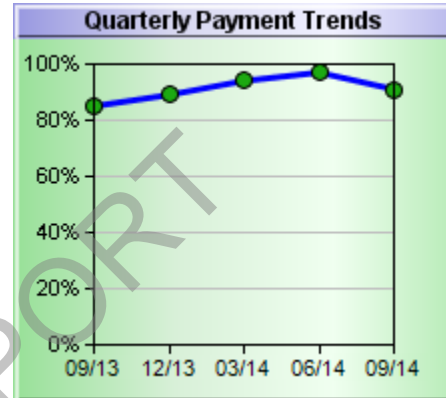
Payment Summary

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4



*Percentage of on-time payments by month.



*Percentage of on-time payments by quarter.

5

Monthly Payment Trends - Recent Activity

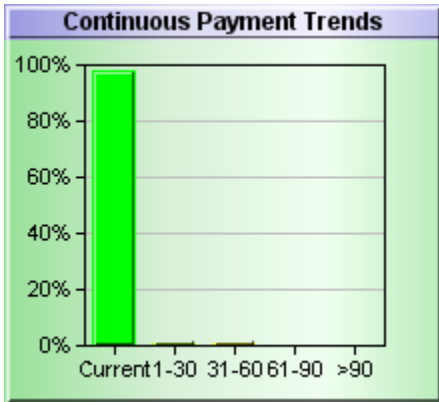
Quarterly Payment Trends - Recent Activity

Date	Balance	Current	Up to 30 DBT	31-60 DBT	61-90 DBT	>90 DBT
05/14	\$1,347,600	69%	23%	5%	2%	1%
06/14	\$1,076,800	38%	54%	3%	2%	3%
07/14	\$1,680,300	72%	17%	6%	3%	2%
08/14	\$1,322,600	75%	19%	2%	1%	3%
09/14	\$1,287,000	41%	54%	2%	0%	3%
10/14	\$1,060,200	67%	22%	7%	1%	3%

Date	Balance	Current	Up to 30 DBT	31-60 DBT	61-90 DBT	>90 DBT
09/13	\$1,194,200	65%	26%	5%	2%	2%
12/13	\$1,398,400	66%	29%	3%	1%	1%
03/14	\$1,399,200	57%	37%	3%	1%	2%
06/14	\$1,085,300	59%	32%	5%	2%	2%
09/14	\$1,223,100	61%	32%	3%	1%	3%

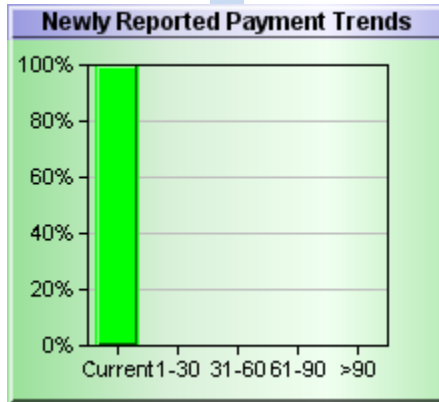


6



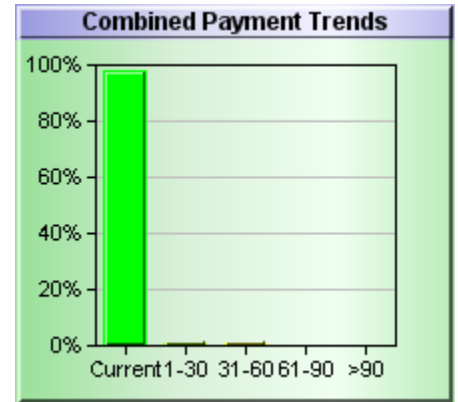
*Continuous distribution with DBT.

Number of Accounts: 28
 Present Balance: \$2,455,300
 Highest Balance: \$3,529,000



*Newly Reported distribution with DBT.

Number of Accounts: 1
 Present Balance: \$96,500
 Highest Balance: \$96,500



*Combined distribution with DBT.

Number of Accounts: 29
 Present Balance: \$2,551,800
 Highest Balance: \$3,625,500

Inquiries

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