

ACCELERATE OUT OF COURT WORKOUTS

Challenge

Bankruptcy (Chapter 11) is not an option for any cannabis related business or investor because from a federal perspective, it is breaking the law. No bankruptcy judge will touch any business associated with cannabis. As you can imagine, this creates tension and disputes between creditors and business owners when things go sideways, just as they did for one of Somerset Capital's Colorado clients. After an attempt to file a Chapter 11, a cannabis business was put into a receivership that was not going well. Somerset Capital's team was brought in to help clean things up.

The operation had a multitude of legal entities, very little cash left in the bank, a box of financial documents in a warehouse and payroll was looming.

Outcome

Transaction Extraction

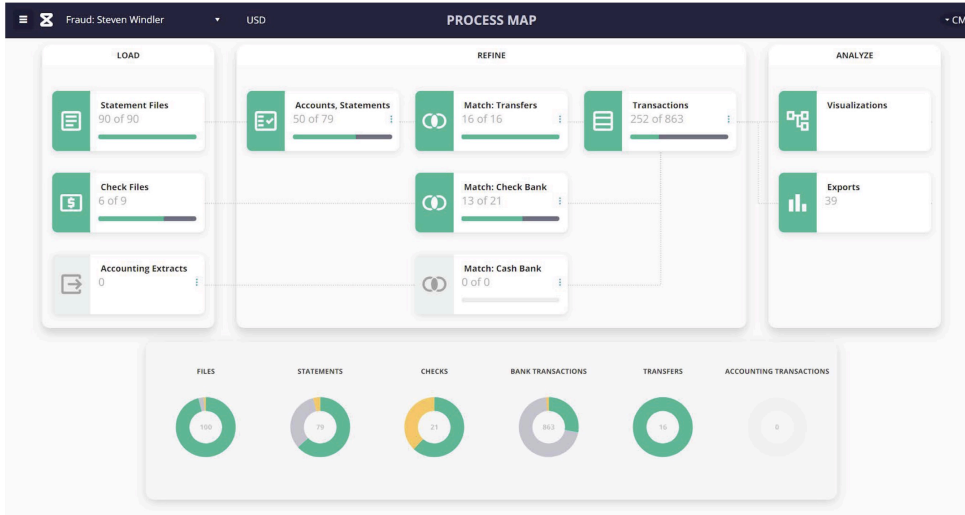
Somerset Capital uploaded boxes of documents and statements to Valid8, each statement was identified, transactions extracted and reconciled against the period balances.

Transfer Identification

Patent pending matching algorithms identified transfers between accounts and entities to automate identification of undisclosed assets.

Swift Resolution

After a quick analysis and 1-click export to Excel, Somerset Capital presented evidence to the attorneys who were able to work out a settlement without the hassle and cost of complex litigation.



“We are in the business of shortening the time to resolution... The business was losing money, things were breaking, and we didn’t have the luxury of time to pursue things to the ends of the earth.”

Solution

In a matter of days after posting the documents to Valid8, the Somerset Capital team was able to identify missing statements, trace the flow of funds through a myriad of legal entities, and quantify what was owed and what was not, to create context of the legal and financial landscape which quickly led to accelerated settlement discussion with relevant parties.

- Discovery time was compressed by Valid8 by fully verifying reconciled data within hours, as each iteration of documents was uploaded to gain a complete picture of the operation from a handful of physical document boxes covering numerous related and unrelated entities.
- The ability to identify specific missing periods/statements for various accounts helped strengthen subpoena requests.
- The comprehensive analysis not only identified additional assets to be included in the settlement, but the clarity and specificity helped accelerate the outcome.

Key Features

Transaction Extraction

Aggregate multiple forms of financial evidence into a single view for analysis, with machine learning meaning no templates

Automated Quality Control

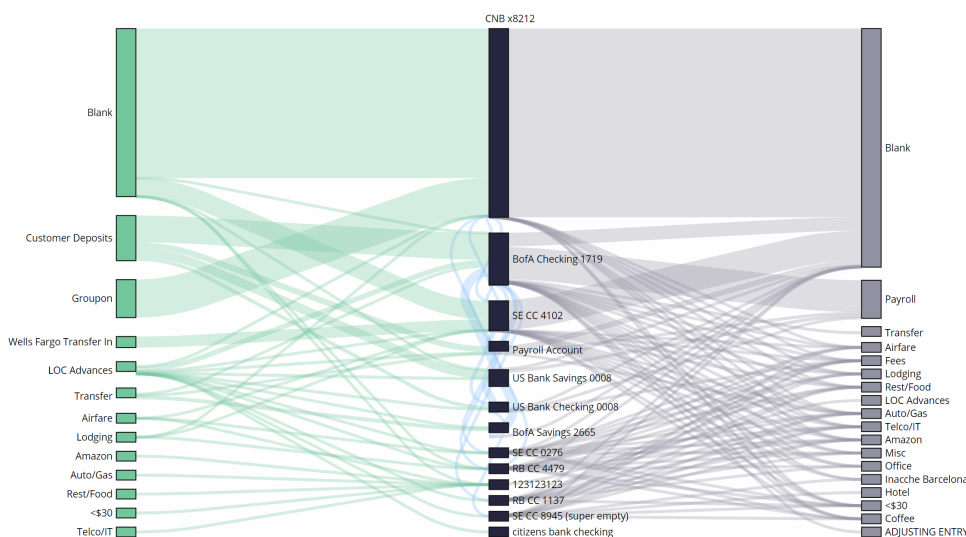
Assurance of accurate numbers is delivered with automated algorithms checking all transactions values extracted from evidence

Transfer Matching

Patented algorithms match money leaving one account or entity and arriving in another, supporting identification of undisclosed accounts

Data Visualization

Interactive display of categorized sources flowing into categorized uses through a network of accounts and entities



“Given the documents, there was no way to get a handle on things in a reasonable timeframe that would hold up in Court / Civil suit without Valid8”