

INVESTIGATION YIELDS INFORMATION USEFUL FOR LITIGATING FAILURE TO PAY CLAIM

FIRM THAT OWED MONEY HAD AMPLE INCOME BUT FUTURE BUSINESS WAS UNCERTAIN

An international law firm engaged Gryphon to determine why a privately held U.S. company had not timely remitted payment to a creditor in China. The law firm sought a targeted asset investigation and an assessment of the U.S. company's financial condition.

Gryphon's research disclosed two recent civil lawsuits involving the subject company that each resulted in multi-million dollar settlements. Documents obtained from one of these cases – which were used as the basis of settlement negotiations – disclosed that the subject company was projected to have an income of roughly \$50 million to be derived over a five-year period. This information was extremely valuable to our client, as it signified that the subject company had the means to pay its Chinese creditor and that ample assets likely existed for a failure to pay claim.

Despite the company's revenue projections, Gryphon's investigation also identified

problematic issues pertaining to the company's outlook, which provided an explanation as to why it had been conserving funds.

The subject company operated under a federal program sanctioned by Congress. According to media reports, this government program was in a state of uncertainty, pending re-evaluation and approval by Congress, and industry participants were on edge about the future of the program. Additional research indicated that the subject company had provided loans to a real estate developer for a project that was significantly behind schedule and over-budget.

The results of this investigation informed our client's decision to initiate litigation immediately, given the uncertainty of the subject company's financial outlook.

GRYPHON'S INVESTIGATION PROVIDES INFORMATION ABOUT ASSETS AVAILABLE TO TARGET IN LITIGATION

Our investigation uncovered information projecting the subject company's income to be \$50 million over a five-year period. In addition, the investigation uncovered reasons why the company could have been withholding payment to a creditor. Gryphon's findings informed our client's decision to immediately initiate litigation.