2/94

**SVO – VALUATION INFORMATION MEMORANDUM**

**FOR SECURITIES NOT RATED BY AN SVO RECOGNIZED RATING AGENCY**

**\* \* \* \* \***

**If no Public Offering Statement or Private Placement Memorandum is available please submit this form with a completed Securities Acquisition Report (SAR). If a Public Offering or Private Placement Memorandum is available, this form is not necessary.**

**Application:** (Must be an Insurer).

**Address:**

**Contact Person:**

**(Print name of person who signed the Note Purchase Agreement or similar document.)**

**Phone Number:**

**The undersigned represents and states that he or she:**

* **is a responsible employee or officer of the name Applicant whose duties require familiarity with the status of the captioned investment;**
* has conducted a review of Applicant’s records and documents and has had such discussions with Applicant’s other officers, staff or employees as were necessary to assure that the statements made herein are true and correct;
* submits this memorandum in connection with a request the Securities Valuation Office (SVO) evaluate and determine an NAIC Designation for the captioned transaction;
* **understands and intends that the SVO will rely on the information contained in this memorandum and the attachments to assign, publish and disseminate an NAIC Designation which will be used by NAIC members to make regulatory decisions;**
* **represents that Applicant’s records did not include an Official Statement, Private Placement Memorandum or insurer’s own internal credit memorandum and understands that this Memorandum is intended to provide the same type of information which an Official Statement, Private Placement Memorandum or internal credit memorandum would provide,**

**Signature of Contact Person:**

**Formal Title of Contact Person:**

**Date:**

**Instructions: Address all requested information topics unless these are clearly not applicable. Incomplete responses will be returned to the Applicant. Non compliance will be reported to the NAIC Valuation of Securities Task Force and the appropriate State Insurance Department.**

1. **Please Provide the Following Information:**

# CUSIP/PPN #

**Name of Security**

# Issuer and/or Guarantor, if any

**Size of Total Financing**

**Minimum Denominations and Method of Principal Amortization**

**Principal Amount Purchased By Applicant**

**Cost of Principal Amount Purchased**

**Maturity Date**

**Issue Price**

**Date of Purchase**

**Name of Other Lenders in This Transaction if known**

**Have You Made Other Investments in This Issuer?** [If yes provide dates and dollar amount].

1. **Provide Information which discusses the following topics. You may wish to include a cover letter detailing or explaining such matters for which no independently available documentation exists. Feel free to include any information in your possession which may be relevant to a valuation decision but which is not specifically requested herein.**
2. **Provide an Executive Summary of the Transaction.**
3. **Provide a Summary of Transaction Terms Including Descriptions of the following:**
4. Indicate Interest Rate (expressed both in coupon and relative terms, for example, 6.5%, 100 basis points over comparable maturity Treasuries) and discuss the obligation to pay interest, for instance, Is interest rate fixed or floating?
5. Ranking of Security In Capital Structure.
6. Describe Collateral Security Given By Issuer
7. List financial and other relevant covenants including affirmative and negative covenants as well as negative pledge or other similar covenants.
8. Mandatory Redemption Features.
9. Optional Redemption Features.
10. Events of Default. (Include technical triggers as well as monetary events of default)
11. Issuer’s Intended Use of Proceeds.
12. Discuss any special aspect of the security such as payment in kind provisions, or any other provisions which would permit a variation or a change in Issuer’s obligation to pay as originally stated including changes in payment of interest, principal, premium, if any, or any other amounts.
13. Have any documents for the security identified above been restated or amended in any way since the initial date of issuance. If so briefly describe the purpose and nature of such restatement or amendments.
14. **Provide the Following Information About the Issuer:** (Add relevant information about the Guarantor, where applicable).
15. History. (Briefly state history and industry profile).
16. Operations.

-Business Segments

-Products

-Customers

-What percentage of sales does largest customer account for.

-What percentage of sales do ten largest customers account for?

-Major Suppliers

1. Industry.

-Competitors and Market Share

-Issuer’s Relative Position

-Technological Threats and Opportunities

-Recent Industry Trends

-Financial

-New Entrants/Withdrawls

-Regulation

1. Description of Management

-Board of Directors

-Names of CFO, CEO and length of time with Issuer

1. Financial Information

-Append Three Years of Issuer’s Audited Financial Information.

-Append Pro Form Capitalization, if applicable.

-Financial projections.

1. Transaction Risks.
2. Disclose any information or data within your knowledge or possession with respect to the industry, the Issuer or any other aspect of the transaction which may be relevant to a valuation of this transaction.
3. Provide an assessment of any special advantage to the insurer presented in this transaction, for instance, favorable tax and or GAAP accounting treatment, ability to shift underwriting risk or similar factor.
4. Is this transaction in default (whether technical default or otherwise), in work out, rehabilitation or other restructuring? Is a chapter 7 or 11 filing possible or actually contemplated? Disclose status of work out negotiations. Recommend a value for the security and indicate how this value was derived.
5. Describe any special risks to the insurer, for instance, tax liability, environmental risk, or other similar matter.
6. Other.

Submit any other information or documentation which you feel is or may be relevant to a valuation even if it is not specifically requested herein.

Where applicable provide executed copies of supporting documents such as copies of substantial terms of leases, guarantees or other similar documents which support repayment of debt.

Where applicable or necessary submit financial, pro forma and other relevant financial information of third party such as guarantor.

Where relevant, as in a multi entity or affiliated transaction, provide Issuer’s Organizational Chart, if available.