Due Diligence Approach

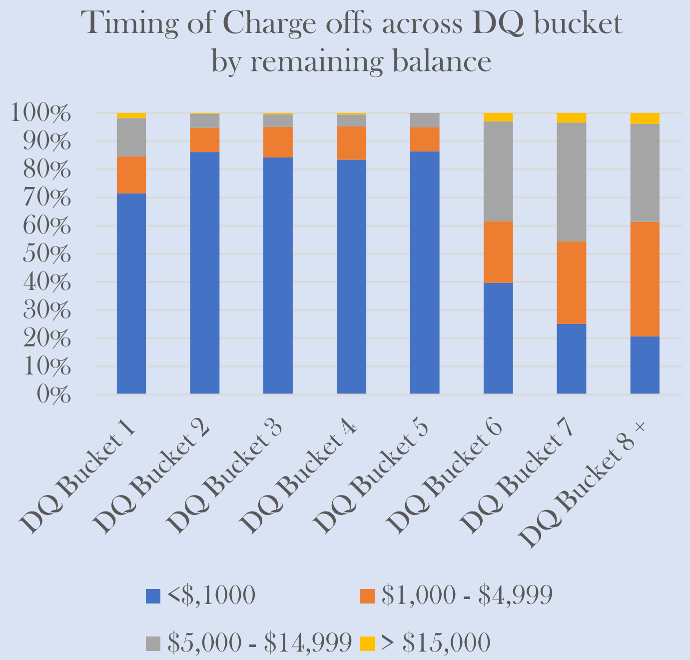
2OS reviews the target company on multiple dimensions:

Risk Assessment

Area	Rating
Portfolio Performance and Forecast *Create an independent forecast of the target's portfolio and compare management's forecast with 2OS projections*	1-5
Marketing *Determine whether target is using the appropriate channels*	1-5
Product *Analyze resiliency of the product offering*	1-5
Underwriting *Determine whether credit risk decisions are made effectively*	1-5
Collections/Recoveries *Review operational and performance metrics for red flags*	1-5
Policy Review *Identify policies that could mask risk of the portfolio*	1-5
Modeling *Develop an assessment of the quality of models used*	1-5
Infrastructure *Determine whether infrastructure is built for long term growth*	1-5
Talent *Assessment of key leaders and their decision making processes*	1-5

Scale: 1: Inadequate/Severe Risk – 5: Near Best in class/No risk

Sample finding



Charge off timing was inconsistent

Severely delinquent loans with higher balances took longer to be charged off

2OS predicted losses were higher than target company's

Delayed losses contributed to 2OS forecasting losses 5-15% higher than management's forecasts

2nd Order solutions