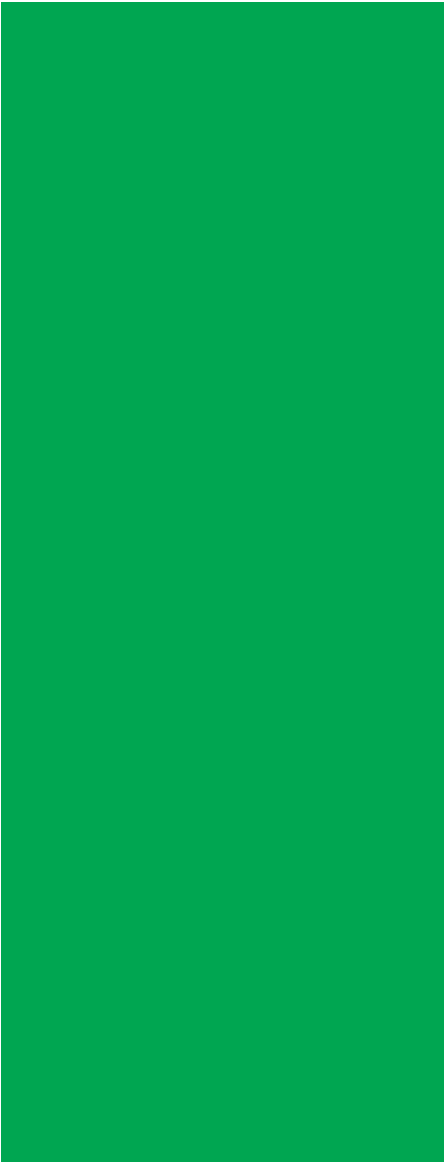
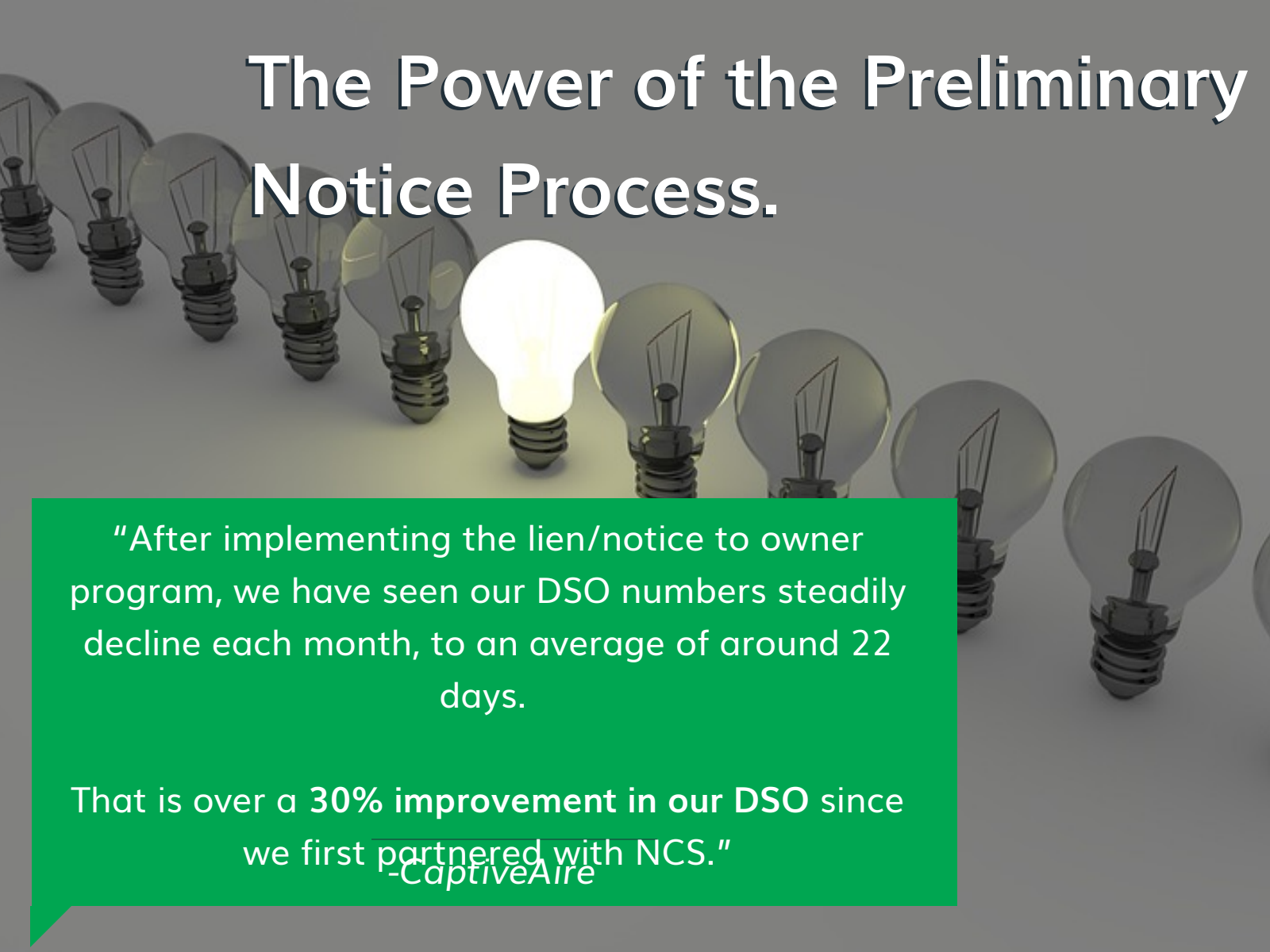




You need a
**Preliminary Notice
Program**

not a
**Mechanic's Lien
Program**

The Power of the Preliminary Notice Process.

A row of light bulbs is shown against a dark background. One bulb in the center is illuminated, casting a warm glow, while the others are unlit and appear as dark silhouettes.

"After implementing the lien/notice to owner program, we have seen our DSO numbers steadily decline each month, to an average of around 22 days.

That is over a **30% improvement** in our DSO since we first partnered with NCS."

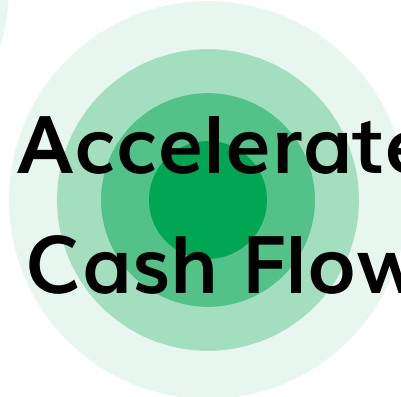
-CaptiveAire



**Improve
DSO**



**Get Paid
Faster**



**Accelerate
Cash Flow**

**Preliminary
Notices are
Critical to
the Payment
Process.**



Securing your mechanic's lien & bond claim rights begins with accurately drafting and properly serving the statutory preliminary notice.

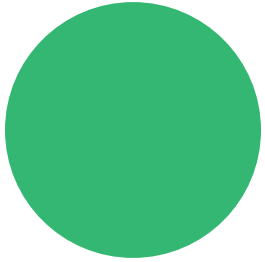
A preliminary notice that is not prepared in accordance with state statute, or served within statutory guidelines, may lead to an invalid mechanic's lien or bond claim.



As a secured creditor, you have the ability to file suit to foreclose in the event of non-payment.

**Serving a
preliminary notice
is a standard
business practice.**

The service of a Preliminary Notice or Notice to Owner, is the **most common and effective** step in the process for securing the legal rights to the money owed for materials or services provided.



**Think of
preliminary
notices as
a courtesy
to the
owner.**

A Preliminary Notice is a notification to an owner that his or her land has been or will be improved by the goods or services supplied.

Often, the owner of the property is unaware that a supplier has provided value to the property or project until the notice is served.

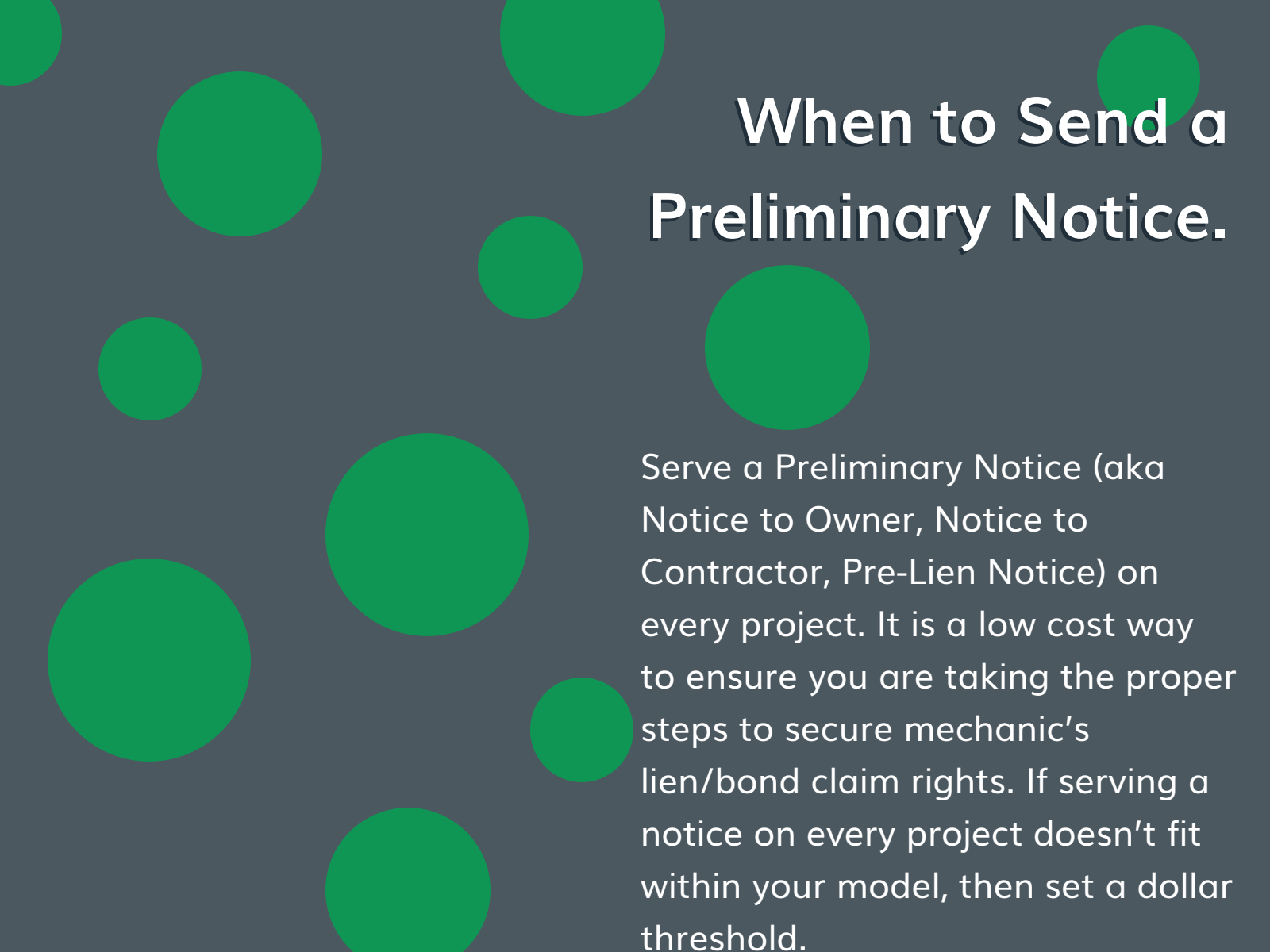
The notification process can be viewed as a courtesy to the owner, advising of the supplier's involvement in providing quality products and services to the project.

It is
NOT
a
lien.

The sending of a preliminary notice is in no way a negative reflection of creditworthiness on any party to the project.

It does not indicate any expected problem with respect to the payment of invoices.

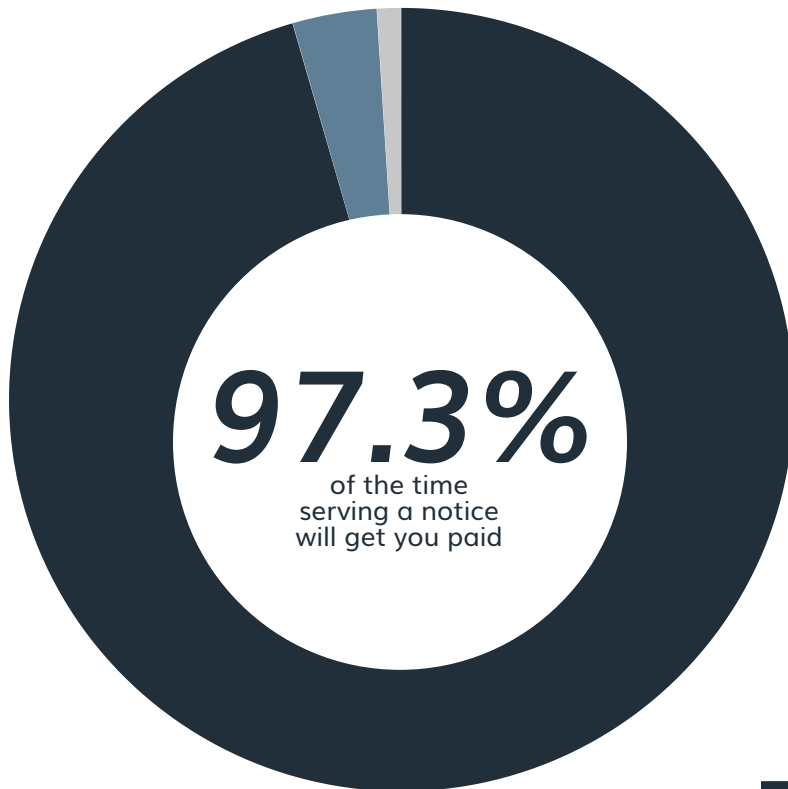
It is **NOT a lien.**



When to Send a Preliminary Notice.

Serve a Preliminary Notice (aka Notice to Owner, Notice to Contractor, Pre-Lien Notice) on every project. It is a low cost way to ensure you are taking the proper steps to secure mechanic's lien/bond claim rights. If serving a notice on every project doesn't fit within your model, then set a dollar threshold.

Our experience shows that more than 99 percent of the time, when a notice and a lien are filed as part of a complete process through our office, our clients get paid. Less than 1 percent ever go to suit.



97.3% of the time serving a notice will get you paid

99% of the time a notice/mechanic's lien will get you paid

Only **1%** of the time will a suit/foreclosure action be necessary

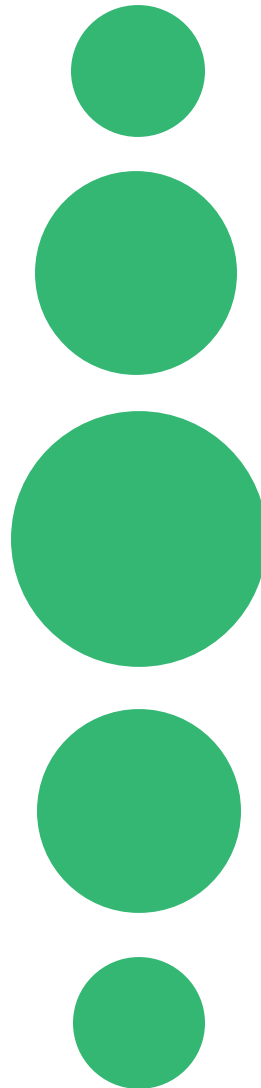
76% of our clients use a **dollar threshold** to

determine whether to send a notice

Most common threshold to send a notice: \$15,000

24% of our clients use **additional selected criteria:**

- new customer
- marginal credit
- large order/high project value
- new geography



.....

**Determine
what works
best for
your risk
portfolio.**

.....

Send a
Notice,
even
when it's
not
required.

Why serve a non-statutory notice?

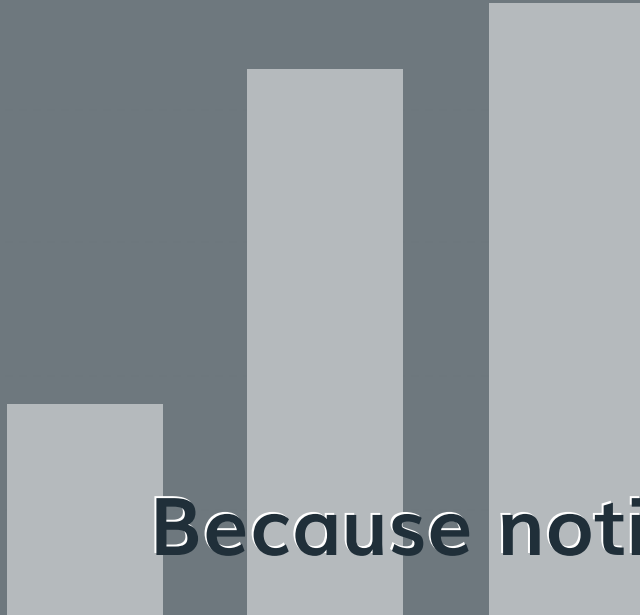
The #1 reason, cited by our clients:

***"The notice, even
when not required,
drives payment &
makes me a
payment priority."***

In 2019, 48% of our client base sent non-statutory notices.

Compared to 43% in 2016 and 18% in 2011.

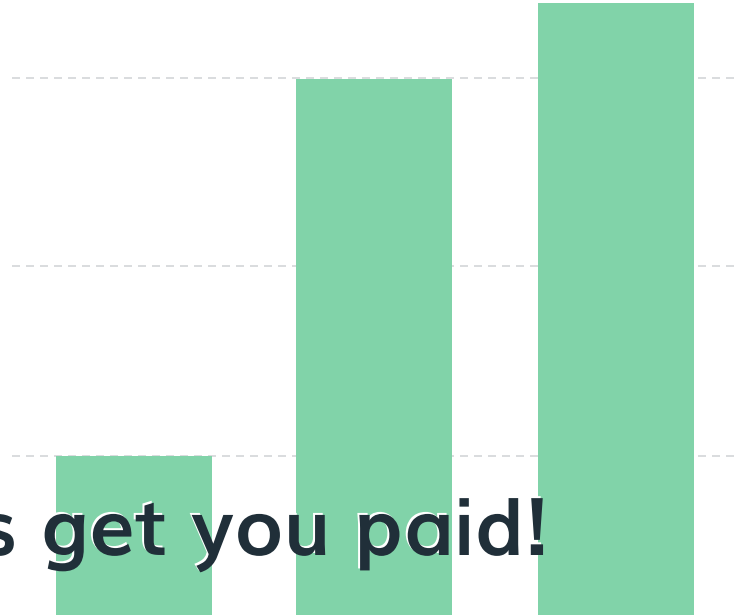
167%
increase
from 2011 to 2019



In 2019, 17% of our notice volume was non-statutory notices.

Compared to 15% in 2016 and 5% in 2011.

240%
increase
from 2011 to 2019



Because notices get you paid!



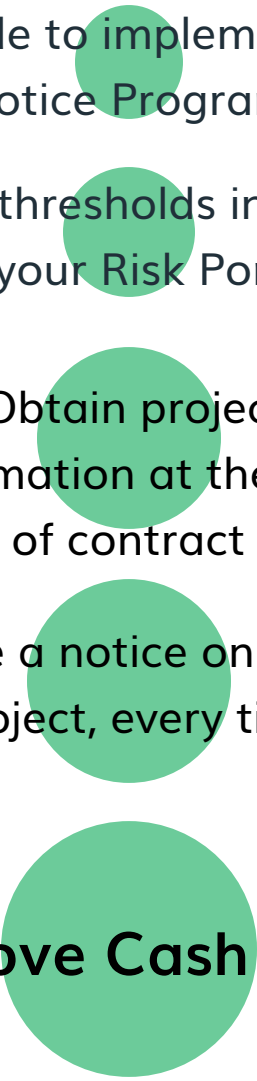
64%

of our clients
include a
softening letter
with the service
of their notice.

Softening letters are used to
assuage the fears of customers.

Many clients customize the
softening letter to meet their
needs.

Customization may include the
addition of the company logo, or
specific language/text within the
document.



Decide to implement a
Notice Program

Set thresholds in line
with your Risk Portfolio

Obtain project
information at the time
of contract

Serve a notice on every
project, every time

Improve DSO, Improve Cash Flow, Reduce Risk

From the preliminary notice,
deadline tracking, mechanic's
lien or bond claim filing, up to
and including suit and/or
foreclosure.

**NCS is uniquely
positioned to
provide a complete
preliminary notice
program.**



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