

# Food, Beverage, and Restaurant Bankruptcies Spike 40%\*

\*Data is Q1 & Q2 2019 vs. Q1 & Q2 2020

## ARE YOU PROTECTED?

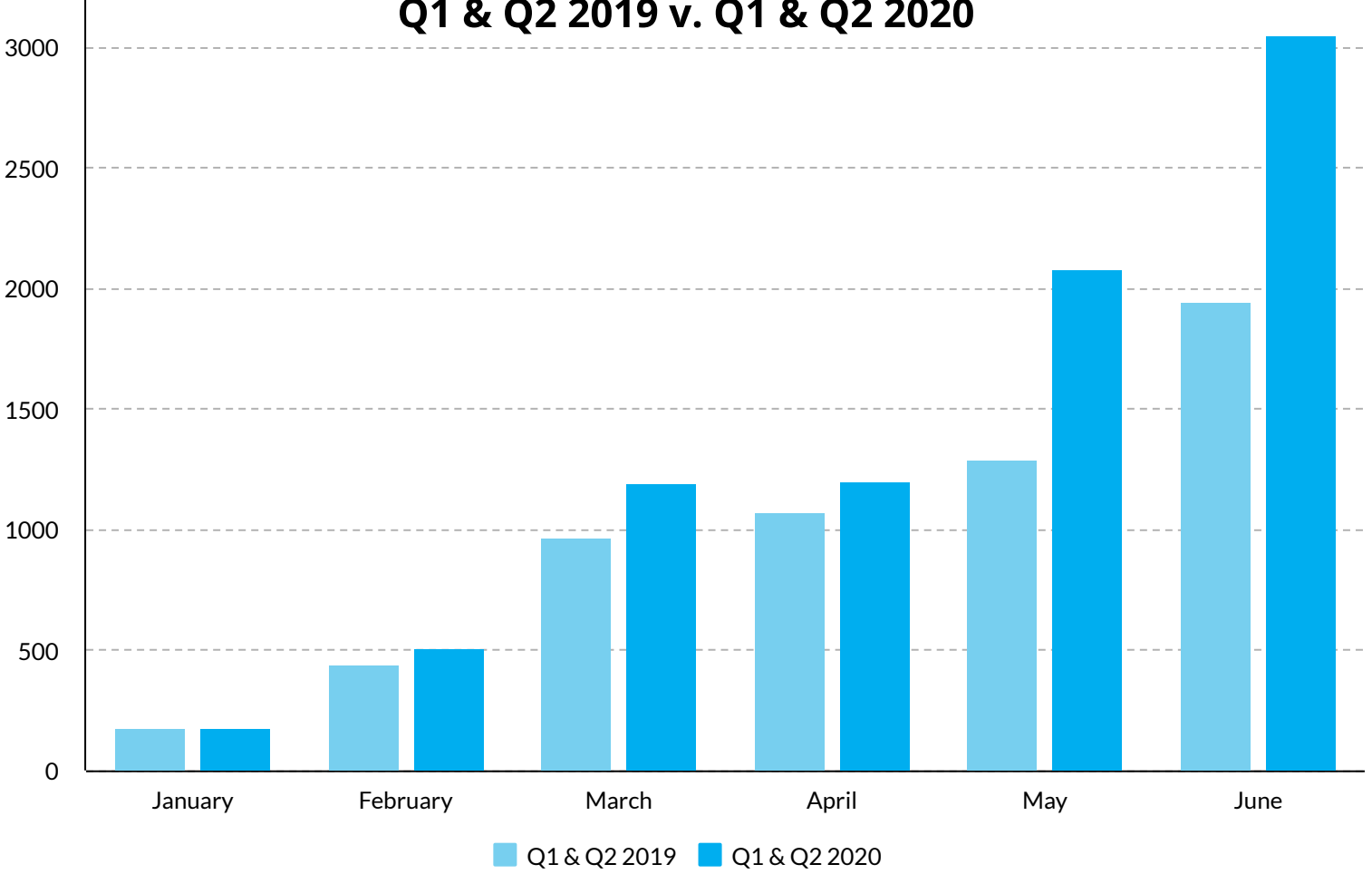
"The industry is on track to lose about...\$240 billion through the end of 2020."

- National Restaurant Association

It's no secret, the pandemic has crushed the economy. Many businesses will eventually recover.

Unfortunately, the food, beverage, and restaurant industries -- already a high risk industry for creditors -- will be devastated by immense loss.

### Food, Beverage, and Restaurant Bankruptcies Q1 & Q2 2019 v. Q1 & Q2 2020



**Bankruptcies in these industries have increased by nearly 40%, with no sign of slow down.**

"Up to 25% of restaurants may close permanently due to the pandemic."

- OpenTable

If you are supplying goods, equipment, or services to food, beverage, and restaurant industries, you **MUST** take steps to secure your receivables.

## File UCCs

Risk isn't limited to the pandemic. These industries are historically the riskiest industries for creditors, because the failure rate is incredibly high.

Article 9 of the Uniform Commercial Code (UCC) provides you an opportunity to secure receivables by leveraging the personal property assets of your customer.

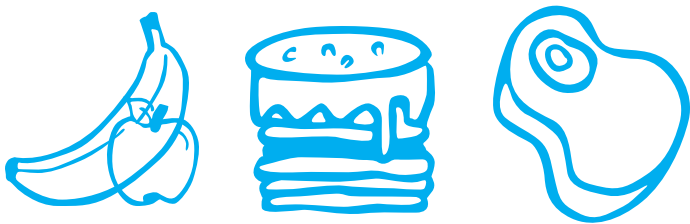
A properly perfected security interest, will mitigate your risk and exposure in the event of customer default or bankruptcy.

**Creditors, like you, actively & aggressively implement UCC filings for security.**

## Which UCC Filing Is Ideal for Your Business?

### Blanket

A Blanket filing is a security interest in all assets of your customer on a non-priority basis, eliminating potential conflict with your customer's primary lender.



### PMSI

A Purchase Money Security Interest (PMSI) filing provides the same benefits as a blanket filing, but gives you priority of repossession of specific identifiable goods, primarily inventory or equipment your company would provide.

- Inventory includes goods/materials for resell or to be used or consumed in a business.
- Equipment includes items used in the course of your customer's business; items are not stocked.

### Fixture

A Fixture filing is a security interest in goods that are or are to become fixtures. Fixtures are goods that have become so related to real property that an interest in them arises under real property law.



## Protect Your Company with UCCs



### Have Priority

In bankruptcy, secured creditors have priority and are paid before unsecured creditors.



### Competitive Advantage

Securing your A/R allows you to extend larger credit limits and sell to those accounts that were previously out of reach.



### Reduce Write-Offs

Fewer write-offs lower the costs associated with your product. Lower costs mean you can sell your product at a lower price while maintaining viable profit margins.

Selling at a lower price makes your company more competitive, opening the doors to a larger market share. More sales with stable profit margins are a win!



### Save Money

UCCs are a basic risk mitigation tool; they are a low-cost solution, requiring nothing more than a signature from your customer.

Don't take unnecessary risks.  
**File UCCs.**



To learn more about how UCC filings can decrease your risk and increase your sales, contact NCS today!