



Focus on what you do best and leave the rest to us.

Our experience and expertise minimize your risk and make the mechanic's lien process hassle free.

How can I reduce my risk when supplying to a project?

You must look beyond your customer's credit and seek additional security through the mechanic's lien process.

Why is this necessary?

1 The construction industry is uniquely risky due to:

- **Long payment cycles** - Slow paying customers with invoices open for 60 days or more
- **Lean profit margins** - "lowest bid" wins
- **Challenging accounts receivable** - back charges and disputes

2 Your customers are uniquely risky because of:

- **Difficulty in getting financials and credit information**
- **Insufficient assets** - Frequently lease buildings, vehicles, etc.
- **Quick/easy business exits**: 53% of construction start-ups close after 4 years
- **Undisciplined cash flow** - Good tradesmen, poor administrators
- **Being thinly capitalized** - "I'll pay you when I get paid"

How do we do it?

Before you begin furnishing, we arm you with the tools necessary to secure payment.

The most effective tool you have to
secure payment is the Mechanic's
Lien and Bond Claim Law.

The legal process:

- 1 **Preliminary Notice** - 97.3% of the time, properly serving a preliminary notice will get you paid*
- 2 **Mechanic's Lien and Bond Claim Filing** - 3% of the time, you may need to file a mechanic's lien
- 3 **File Suit** - less than 1% of the time, you may need to enforce the mechanic's lien

*NCS research indicates, once a mechanic's lien process is in place, and preliminary notices are being served regularly, it is likely that only 3% of a company's projects will require the filing of a mechanic's lien, and less than 1% of projects will require a company to proceed with suit/foreclosure. This means that 97.3% of the time, properly serving a preliminary notice will get you paid.

What is my risk?

Every project is different. You weigh many factors to determine your risk, including:

1. Your customer's viability
2. The value of the contract
3. The project information

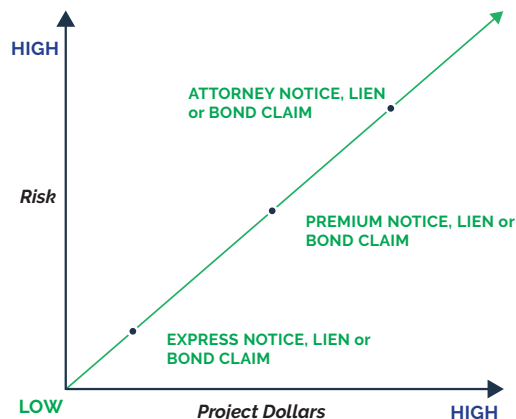
You need the flexibility to customize your protection based on the amount of risk on each project.

3 levels of service - customized to your unique needs.

Now you can spend less and secure more with NCS Attorney, Premium and Express options. These cost effective solutions enable you to better manage your risk profile, generate stronger cash flow and reduce DSO!

Notice, Mechanic's Lien and Bond Claim options:

1. Attorney
2. Premium
3. Express



ATTORNEY

Recommended Parameters

- **High contract amount** - large dollar exposure
- Uncomfortable with incomplete or **unreliable project information**
- **Bankruptcy has** been filed
- Extenuating or **complicated circumstances** (multiple parcels, multiple owners, complex title searches, condominiums, quasi private/public projects, oil and gas liens, etc.)

PREMIUM

Recommended Parameters

- **Lower contract amount** - lower dollar exposure
- **Bankruptcy has not** been filed
- Comfortable with the **accuracy of the project information** or project information is provided within **Notice of Commencement**
- **Reduces the risk** of an invalid lien/bond claim

EXPRESS

Recommended Parameters

- **Low dollar exposure**
- When **notice/lien/bond claim** is being used solely to prompt payment
- Comfortable with the **accuracy of the project information** or project information is provided within **Notice of Commencement**
- When a notice is **not required** (non-statutory state)

“ 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. ”

- **Michael Day**, Controller, Captive-Aire Systems, Inc.

Fast. Simple. Powerful.

NCS carries the burden of the mechanic's lien / bond claim complexities, so you don't have to.

For more information: Call **800-826-5256** or email SecureYourTomorrow@NCScredit.com

