


Minimize risk and stress.

Get non-cancelable Put Options
from TradeGuard.



Revenue. It's the lifeblood of every business. That's why more and more vendors are using Put Options to protect their accounts receivable. With hassle-free Put Options to protect their receivables from TradeGuard, you can sell and ship with confidence—knowing that even if a customer files for bankruptcy, you will receive payment for outstanding invoices from that customer. **We'll be there for you.**

Client Stories

*“TradeGuard has been a tremendous support in providing an avenue to cover risks that have been difficult to place in the credit insurance market. In so doing, my company was able to increase sales in marginal risk situations, knowing that there was protection in the event of a bankruptcy. TradeGuard professionals are **experts in their field** and can always find creative solutions to help their clients in mitigating risk. They are very proactive, personable and a valuable asset to any company who would work with them.”*

- Credit Manager, Apparel Manufacturer

*“TradeGuard has a wealth of knowledge and the professionals I go to when I need to understand the current credit evaluation on almost any company. They have always been very quick to follow up, and their communication is outstanding. I especially appreciate their timely market overview newsletters. These updates alone are invaluable and a fantastic resource to keep us connected with customer changes. **They are our go-to** whenever we have a challenging risk that traditional credit insurance is unable to cover.”*

- CFO, Consumer Products Manufacturer

How trade receivable Put Options work



You're thinking about servicing a customer.

But you're concerned about the prospect of the customer filing for bankruptcy.



You could spend time trying to assess the customer's credit risk.

But that's not what you do best.



You could simply choose to not do business with the customer.

But that's no way to grow your business.



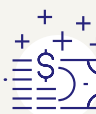
You could simply ship to the customer and hope for the best. But who needs that kind of stress?

So, you make the smart move. You contact TradeGuard.



We'll present a customized quote for a Put Option to you in minutes.

Our fees are always competitive. And our onboarding process (finalization of your coverage) is quick and painless.



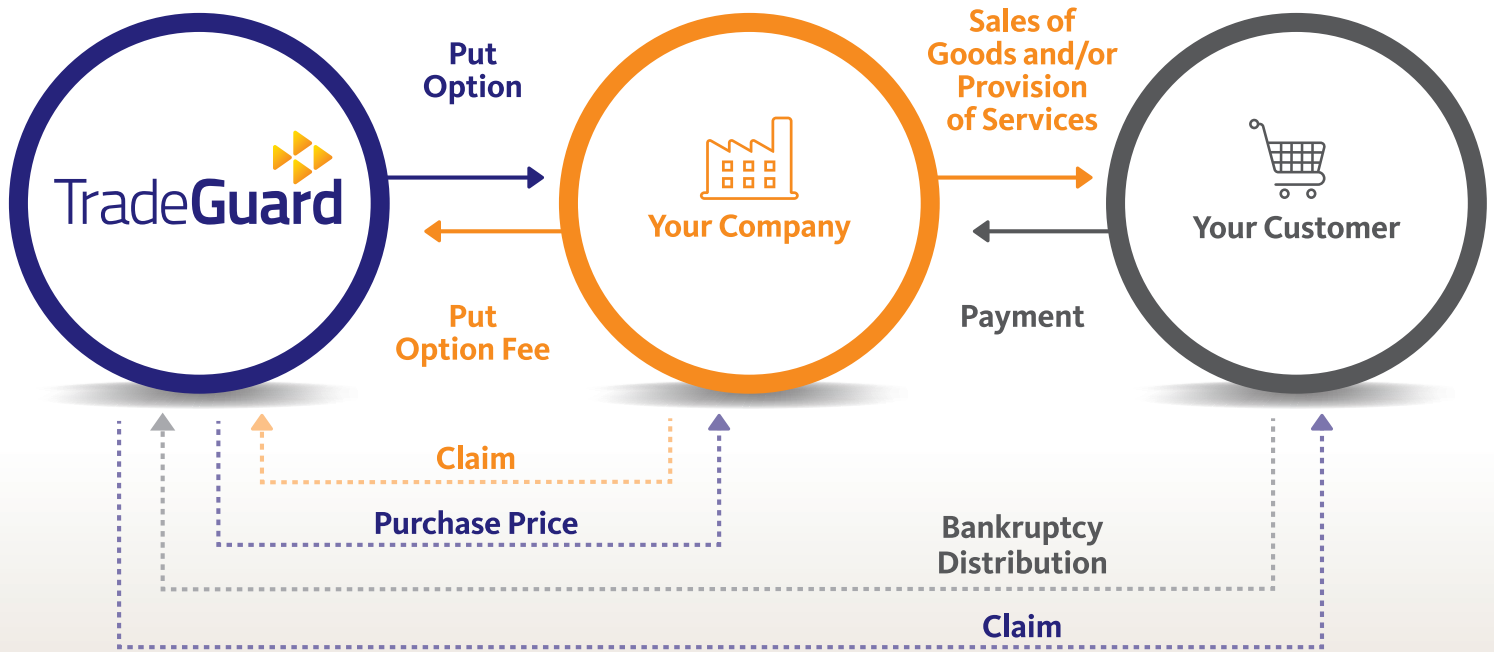
If your customer doesn't file for bankruptcy, you won't need us.

But if your customer does file for bankruptcy, we'll pay your outstanding invoices. Guaranteed.

Put Options from TradeGuard provide a tailored form of protection

- ▶ A Put Option applies to a **particular account** of a vendor, not its entire receivable portfolio.
- ▶ The **duration** of a Put Option is also **flexible**; A Put Option can be structured to cover a period as short as 3 months or as long as 5 years.
- ▶ Unlike trade insurance and factoring agreements, a Put Option **cannot be canceled or modified** by TradeGuard to drop or limit coverage.
- ▶ The **confidentiality** of a Put Option allows a vendor to continue to supply and thereby, support its customers without increasing its risk exposure.
- ▶ **There are no surprises or hidden fees.** Just the tailored protection you need—and the peace of mind that comes with it.

TradeGuard Vendor Protection Process



There are basically two types of Put Options: Pre-Bankruptcy Put Options and Post-Bankruptcy Put Options

- A **Pre-Bankruptcy Put Option** is a right to sell a claim against a company that could file for bankruptcy protection.
- A **Post-Bankruptcy Put Option** is a right to sell a claim against a company that is operating under bankruptcy protection and that could wind down and liquidate.

Below is a description of the salient terms of TradeGuard's Put Options:

- **Claim Purchase Rate:** The rate at which TradeGuard will purchase the claim upon the occurrence of a Credit Event (100% or less, depending on the credit).
- **Covered Period:** The period of time during which a Put Option covers a vendor's sale of goods and provision of services. The Covered Period can be as short as 3 months to as long as 5 years.
- **Credit Event:** In the case of a Pre-Bankruptcy Put Option, a bankruptcy filing of the company. In the case of a Post-Bankruptcy Put Option, a conversion from chapter 11 to a chapter 7 or a confirmed chapter 11 plan that does not pay administrative creditors in full.
- **Put Option Fee:** Typically, a monthly fee between 0.15% and 3.50% of the accounts receivable covered to be paid by a vendor to TradeGuard. The Put Option Fee is payable upon execution if Covered Period is less than 6 months or payable quarterly in advance if Covered Period is greater than 6 months.

TradeGuard Put Option Advantages

	TradeGuard Put Options	Factoring	Credit Insurance
Customer Availability	<ul style="list-style-type: none"> TradeGuard (TG) specializes in handling high-risk and distressed accounts receivable. We offer non-cancelable Put Options on single accounts, as requested by our client. We cover the names you need coverage on, good or bad TG covers almost any public company, many private entities, in any industry TG offers a range of options for each Put Option variable (e.g. expiration date, amount, etc.) 	<ul style="list-style-type: none"> Requires whole turnover coverage (all accounts receivable) — not cost effective; supplier pays for coverage on accounts that are in good standing, which is an added and unnecessary expense. Mostly cover investment grade companies Retail and consumer goods focused Caps and limits for maximum exposure to particular companies 	<ul style="list-style-type: none"> Requires whole turnover coverage (all accounts receivable) — not cost effective; supplier pays for coverage on accounts that are in good standing, which is an added and unnecessary expense. Mostly cover investment grade companies Retail and consumer goods focused Caps and limits for maximum exposure to particular companies
Covers Existing Invoices?	<ul style="list-style-type: none"> Yes. Effective immediately on ALL outstanding accounts receivable to the customer (<u>not</u> just new receivables incurred after protection is purchased) 	<ul style="list-style-type: none"> No. Only protects prospective (new) accounts receivable incurred after the coverage becomes effective 	<ul style="list-style-type: none"> No. Only protects prospective (new) accounts receivable incurred after the coverage becomes effective
Tenor	<ul style="list-style-type: none"> Flexible based on client needs. Typically, 3 to 12 months and possibly longer (2 to 5 years) 	<ul style="list-style-type: none"> Short term 	<ul style="list-style-type: none"> Typically, 1 year but cancelable at the will of the insurer
Pre and Post Bankruptcy Availability	<ul style="list-style-type: none"> Available before (pre) bankruptcy and in (post) bankruptcy 	<ul style="list-style-type: none"> Not available in bankruptcy 	<ul style="list-style-type: none"> Not available in bankruptcy
Trigger	<ul style="list-style-type: none"> Bankruptcy filing (chapter 7 or 11) for prebankruptcy coverage Liquidation including a conversion from a chapter 11 to a 7 for post-bankruptcy coverage 	<ul style="list-style-type: none"> Bankruptcy or failure to pay 	<ul style="list-style-type: none"> Bankruptcy or failure to pay
Cancelable?	<ul style="list-style-type: none"> No. TG has no right of cancellation or termination 	<ul style="list-style-type: none"> Yes. Factor may decide to stop factoring future receivables at will 	<ul style="list-style-type: none"> Yes. Cancelable on notice at the will of the insurer
Pricing/ Cost	<ul style="list-style-type: none"> Minimal capital outflow. Up to 100% coverage No deductibles or surcharges or other additional costs No minimum coverage amount is required Client decides how much coverage to buy. Can cover less than actual exposure 	<ul style="list-style-type: none"> Surcharge or deductible added to high-risk accounts Minimum receivable amounts thresholds 	<ul style="list-style-type: none"> Relatively inexpensive due to diversification, co-insurance, deductibles Minimum receivable amounts thresholds
Ease of Execution	<ul style="list-style-type: none"> Quick onboarding and easy execution. Typically, same day execution 	<ul style="list-style-type: none"> Typically requires 3 months of due diligence 	<ul style="list-style-type: none"> May require lengthy underwriting review
Other Considerations	<ul style="list-style-type: none"> Tailored to clients needs. Confidential 	<ul style="list-style-type: none"> May have negative connotation with customers 	<ul style="list-style-type: none"> Claims process can be cumbersome and settlement may take time

Benefits of non-cancelable Put Options from TradeGuard

Our business is helping you confidently grow yours.

- We keep you in the know through TradeGuard Alert emails.
- You don't need to spend time analyzing customer credit risk.
- We make it easy to say yes to high-risk customers.
- There are no surprises or hidden fees. You can sleep well knowing that you're covered against the possibility of a customer bankruptcy.
- In the event of a customer bankruptcy, we provide clarity around next steps and timing of payment.
- Most importantly, if your customer files for bankruptcy, you're covered. You will receive payment for outstanding invoices to that customer.



To sign up for TradeGuard Alert, simply send an email to alertme@tradeguard.com

OUR STORY

For over 20 years, our professionals helped pioneer the concept of vendor protection, also known as **“Account Receivables Put Options.”**

OVER 20 YEARS

2015

2020

Today we're the bold leader in Put Options.

Empowered by unrivaled credit risk analytic skills, we confidently cover more names than anyone else. Our clients depend on us to guide them through potential market risks and navigate an ever changing financial landscape.

As an organization, we are defined by our performance. When our clients' customers file for bankruptcy, we stand shoulder-to-shoulder with our clients – guiding them through uncertainty, providing reassurance and most importantly – **making sure they get paid.**

THE We'll Be There For You PROMISE

This promise defines us as an organization. It's grounded in who we are and what we believe.

Because information is power

We'll keep you apprised of customer credit risk through our TradeGuard Alert emails. To sign up for TradeGuard Alert, simply send an email to alertme@tradeguard.com

Because we know our business

No matter what the situation, we'll find a way to provide affordable coverage. That often means covering names others won't touch.

Because business moves quickly

When you reach out to us for a quote, we'll almost always get back to you in 60 minutes or less.

Because your time is valuable

When you're ready to finalize your TradeGuard Put Option, we'll do everything in our power to minimize hassles and paperwork.

Because partners look out for each other

We'll always share up-to-date information on a customer credit throughout your coverage. Whatever we know, you'll know too.

Because when it comes to your A/R, there's no room for guesswork

We provide comprehensive information upfront. This way, if a customer files for bankruptcy, you'll know exactly what you need to do in order to receive payment.

Because this is how we do business

We honor our commitments in a timely and professional manner.

BOTTOM LINE:
We've been there for
our clients for over 20 years.
We'll be there for you.

Maximize your business's potential.

Call or email us today
and get your TradeGuard
Put Option quote started.

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TradeGuard.com  


TradeGuard
Vendor protection when it counts.