

# Perspective by CRF

1st Quarter, 2020

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## Accounting for Bad Debts Related to Trade Receivables

*Written by: David H. Grumer, CPA, Partner, Citrin Cooperman*

The concept in generally accepted accounting principles (often referred to as "GAAP") is that impairment of receivables shall be recognized when, based on available information, it is probable that a loss has been incurred based on events and conditions existing at the date of the financial statements. In other words, present GAAP requires... [Read More...](#)

## Six Things to Consider Before Doing Business with Cannabis and CBD/Hemp Companies

*By: Sam Fensterstock, AG Adjustments*

With the legal cannabis and CBD/Hemp markets expected to generate more than \$50 billion in revenue by 2024, many mainstream members of corporate America are looking to do business in this emerging market. Many of AGA's clients have told us that they have either been approached or have started to do business in this market, and to that extent... [Read More...](#)

## This is Really Funny...On Our Way to the Bankruptcy Court

*By: Kenneth A. Rosen, Esq., Lowenstein Sandler LLP*

A company commences a Chapter 11 bankruptcy case, obtains "debtor in possession" financing and then asks its vendors for more unsecured credit because (according to the debtor) the debtor just got lots of new financing and the vendor will have an administrative claim... [Read More...](#)

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or visit our website at [www.commercialcollectionagenciesofamerica.com](http://www.commercialcollectionagenciesofamerica.com)

## Accounting for Bad Debts Related to Trade Receivables

Written by: David H. Grumer, CPA, Partner, Citrin Cooperman

Sourced by: Annette Waggoner, Commercial Collection Agencies of America, through Fred Wasserspring, Chief Financial Officer, Lyon Credit Services, Inc.

### Current Accounting During 2019

The concept in generally accepted accounting principles (often referred to as "GAAP") is that impairment of receivables shall be recognized when, based on available information, it is probable that a loss has been incurred based on events and conditions existing at the date of the financial statements. In other words, present GAAP requires an "incurred loss" methodology for recognizing bad debts that...

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#### [October Forum](#)

October 26 - 28, 2020  
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### About the Author



Dave Grumer is a partner with more than 30 years of experience providing business consulting, tax, and audit services. A leading member of the firm's Financial Services Industry Practice, he advises clients primarily in the financial services industry, including registered investment advisors, registered brokers and dealers, and various investment companies. Dave's work with clients is grounded in his experience in a wide variety of business activities that requires a deep understanding of each clients' operations and cash flows in order to apply his knowledge of the latest developments in accounting, taxation, and compliance.



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# Six Things to Consider Before Doing Business with Cannabis and CBD/Hemp Companies

By: Sam Fensterstock, AG Adjustments

With the legal cannabis and CBD/Hemp markets are expected to generate more than \$50 billion in revenue by 2024<sup>1</sup>, many mainstream members of corporate America are looking to do business in this emerging market. Many of AGA's clients have told us that they have either been approached or have started do business in this market, and to that extent, I have become actively involved as a member of the National Cannabis Association's Banking & Finance Committee. At the upcoming March Credit Research Foundation Forum I will be moderating a panel discussion to address the operational and legal issues that companies face when selling into this new market, and thought that prior to the Forum I would provide some insight as to what we will be reviewing in March...

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## About the Author



Sam Fensterstock is the SVP of Business Development at AG Adjustments (www.agaltd.com). AGA is one of the nation's leading providers of 3rd party commercial collection services. Sam oversees AGA's sales organization as well as corporate partnerships and marketing. He has more than 25 years of experience as a Senior Business Development Executive, Manager and Coach in the commercial credit and collections space. He is passionate about helping companies improve their order to cash process with a specific focus on credit risk and collection management. He has been a founder and played a key role in the dynamic growth of several leading niche commercial credit risk management companies and is considered an expert in the order to cash and credit and collections process. Prior to joining AG Adjustments Sam was the Director of Business Development at PredictiveMetrics, a statistical based credit and collection scoring and modeling company that he helped grow and sell to SunGard (FIS) in 2011. AG Adjustments has been a Platinum Partner of The Credit Research Foundation since 2000. Sam can be reached at samf@agaltd.com or 631-719-8096.

<sup>1</sup> Forbes Magazine - <https://www.forbes.com/sites/irisdorbjan/2019/05/20/cbd-market-could-reach-20-billion-by-2024-says-new-study/#17c3185249d0>  
<https://www.forbes.com/sites/irisdorbjan/2019/09/24/new-cannabis-report-predicts-legal-sales-to-reach-nearly-30-billion-by-2025/>

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## This is Really Funny...On Our Way to The Bankruptcy Court

By: Kenneth A. Rosen, Esq., Lowenstein Sandler LLP

A company commences a Chapter 11 bankruptcy case, obtains “debtor in possession” financing and then asks its vendors for more unsecured credit because (according to the debtor) the debtor just got lots of new financing and the vendor will have an administrative claim in the case – which is on par with professional fees and is entitled to 100% payment off the top. Therefore, giving credit during the bankruptcy is safe. I find these assertions to be very humorous because...

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### About the Author



Kenneth A. Rosen, Esq is Partner, Chair, Bankruptcy, Financial Reorganization & Creditors' Rights of Lowenstein Sandler. Mr. Rosen advises on the full spectrum of restructuring solutions, including Chapter 11 reorganizations, out-of-court workouts, financial restructurings, and litigation.

In his spare time, Mr. Rosen serves on several philanthropy and nonprofit boards primarily devoted to health care and education.



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## Financial Automation – 5 Trends to Watch for in 2020

By: Brian Shannon, Serrala

*Look into the future and evaluate the top technology trends that will impact finance teams and improve business processes over the next decade. Get the details you need to build a process roadmap that will take full advantage of these technologies and maximize the business value of your company's digital transformation. This article will discuss the five biggest technology trends in finance: Intelligent Automation, Cloud and as-a-Service solutions, Real-time Connectivity, Big Data, Predictive Analytics. It will discuss how you can work with IT to ensure these technologies are implemented effectively and adequately support your team's business objectives.*

As a new decade begins in 2020, financial leaders should take a moment to consider how technology will potentially impact their teams over the next decade. Certainly, robotic process automation (RPA), which gained significant momentum over the past decade, will continue to transform financial processes. But which technology trends are the ones to watch next? And where can this new technology possibly take us in the next 2, 5, or 10 years?

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### About the Author



Brian Shannon is Senior Vice President Strategy and Operations at Serrala. He focuses on improving business processes and financial solutions with technology to maximize return on investment. Brian has held many C-level and leadership positions in the past, including Chief Operating Officer, Chief Strategy Officer, National Credit Manager, International Finance Manager and Financial Strategist. Brian holds a degree in Political Science from the University of Manitoba, and a MBA in International Finance from the University of South Florida.

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# The Increased Footprint of Cannabis in the Commercial B2B Credit Space

## Credit Research Foundation 2020 - Update

By: Matt Skudera, Vice President Research & Education, Credit Research Foundation

**Note: This study was conducted as a result of an increasing number of inquiries from CRF members. CRF does not condone or support the use of cannabis, or related products, either medically or recreationally.**

The proliferation of the legal cannabis industry can be categorized in two parts, medical and recreational. This study is a follow-up to our 2019 research effort and is intended to outline the impacts to credit professionals whose companies are currently engaged in providing products that either directly or indirectly support this industry.

This 2020 survey compares and contrasts the initial results shared in 2019 and is intended to also enable the risk management professional in establishing their business process(es) when selling into the space. As with last year's study, both legal and moral questions remain in play, but members are looking for education/best practices/legal concerns as they are requested to add this business segment into their overall portfolio. There are numerous issues that remain in flux and are associated with this market, not the least of which...

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### About the Author



Matt Skudera is Vice President of Research & Education and an Officer of the Foundation. Prior to CRF, Matt spent the past 25 years in positions of increasing responsibility in Credit and Financial Shared Services.

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## 2020 CRF March Forum - Charleston, SC

### Agenda Topics

Trends in SSCs – Latest Trends in Shared Services/Procure-to-Pay (Moderated Practitioner Panel)

Cannabis Panel – Legal, Banking & Operational Issues & Concerns

Invisible Banks – Working Capital Opportunities

Nexgen/Employee Engagement

Web Portals – How to Best Work with Them

What's in Your Toolbox?

Federal Reserve Economic Update

### PLUS:

Pre-Forum User Group Sessions

Special Session: Mediation/Negotiations

NETWORKING

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# Platinum Partner Updates



**Commercial Collection Agencies of America** recently announced that through its initiative, *Commercial Collection Agencies of America Gives Back*, a portion of the proceeds of its annual meeting in Delray Beach, Florida has been given to the American Foundation for Suicide Prevention. The Association's Board endorsed the support immediately after learning that the Foundation's mission is to save lives and bring hope to those affected by suicide, as well as to be the leading private funder of suicide research.

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**Alvarez & Marsal (A&M)** recently announced it had surpassed the 1,000 employee mark in Europe, further demonstrating the market's growing appreciation of A&M's integrated offering and ability to maximize value. A&M states it has bolstered its European practice and added teams and staff across a range of services, particularly restructuring, private equity services and corporate transformation as well as transaction advisory, disputes and investigations and tax services. Founded in New York in 1983, A&M opened its first office in Europe in 2001 and has grown strongly since.

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After debuting its new website in September 2019, **Billtrust** has won "Best Financial Services Mobile Website" as part of the Web Marketing Association's 2019 MobileWebAwards competition. Designed by Billtrust's Digital Marketing team, the new Billtrust.com website is mobile-optimized and focuses on engaging customers and prospects longer with simplified navigation and compelling new content and resources.

\*\*\*\*\*

**Billtrust** announced that it was included on Built In Colorado's 2020 list of Best Places to Work. Billtrust also received Best Paying Companies and Best Benefits designations. Companies are selected based on data submitted by both firms and their employees. Billtrust has office locations in Denver and Boulder, CO.

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**Dun & Bradstreet** announced the acquisition of Orb Intelligence, a prominent digital business identity and firmographic data provider. The acquisition, in combination with the July 2019 acquisition of Lattice Engines, furthers the commitment and investment Dun & Bradstreet has made to provide its clients with the best-in-industry data, analytical applications and technology.

\*\*\*\*\*

A Cannae Holdings portfolio company confidentially filed for a proposed initial public offering of **Dun & Bradstreet**, almost a year after the firm was taken private by a group of investors including Cannae. The number of shares of common stock to be sold and the price range for the proposed offering haven't yet been determined.

# Platinum Partner Updates



Fortune and Great Place to Work have recognized **Experian North America** as one of the Best Workplaces for Diversity. Additionally, for the second year, Experian was awarded a perfect score in the Human Rights Campaign Foundation's 2020 Corporate Equality Index.

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**Nacha**

**Nacha** has been named one of the Best Places to Work in Virginia for a second consecutive year. The annual list was created by Virginia Business Magazine and Best Companies Group. This statewide survey and awards program is designed to identify, recognize and honor the best places of employment in Virginia, benefiting the state's economy, workforce and businesses. The 2020 Best Places to Work in Virginia list is made up of 100 companies.

\*\*\*\*\*

**Nacha** is partnering with seven members of The Center for Payments to expand the reach of NACHA Certified, a voluntary certification program for Third-Party Senders that enhances the quality of the ACH Network. Under a new cooperative agreement, seven Center for Payments member payments associations are able to conduct NACHA Certified reviews. These participants have been trained by NACHA and use NACHA's materials to assess whether a Third-Party Sender applicant meets all NACHA Certified criteria. Final approval of all reviews will come from NACHA.

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**VersaPay Corporation** announced a definitive arrangement agreement to be acquired by Great Hill Partners, a Boston based private equity firm. Under the terms of the Arrangement Agreement, each VersaPay shareholder (the "VersaPay Shareholders") will receive cash consideration of C\$2.70 for each VersaPay Share held, valuing VersaPay's total equity at approximately C\$126 million on a fully diluted basis.

# 2020 Platinum Partners



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