

RESOLUTE INDEX

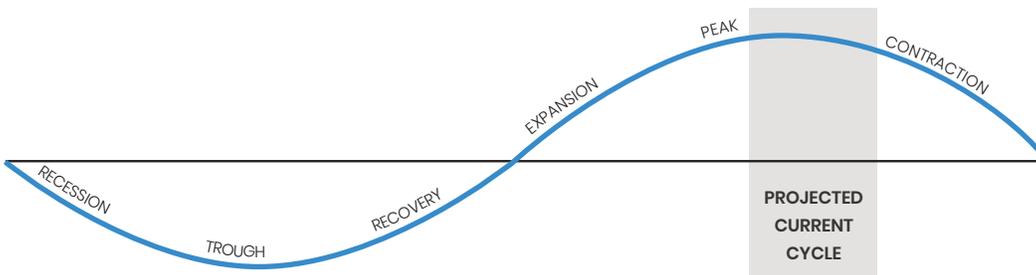
BANKRUPTCY | RECEIVERSHIP

**MIDYEAR
2021**

As we look at 2021, it appears that many middle market companies have managed to weather the pandemic-induced recession. However, it's important to remember that bankruptcies from the Great Recession didn't hit their peak until 2010 – a full two years after the crisis first began. The most populated states in the Rocky Mountain West also appear to be more impacted by distress than rural locations.

State of the Workout Environment

Projected outlook for the turnaround industry



WORKOUT TREND



ARIZONA MIDDLE MARKET BANKRUPTCY

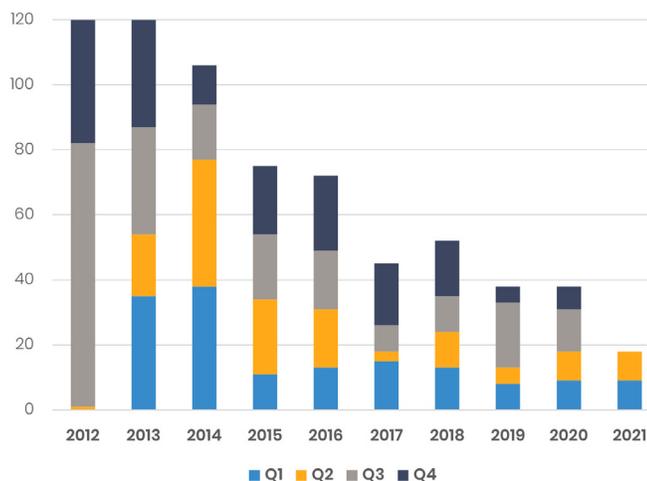
9 NO CHANGE
Q1 + Q2 (As compared to Q1 + Q2 2020)

ARIZONA MIDDLE MARKET RECEIVERSHIP

9 **+8**
Q1 + Q2 (As compared to Q1 + Q2 2020)

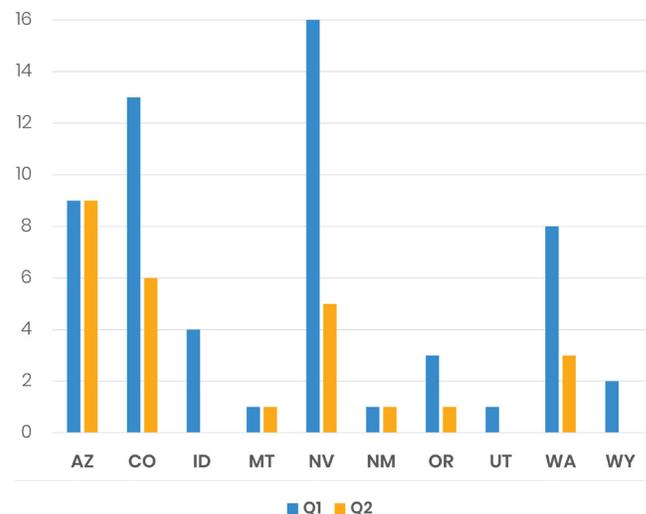
Arizona Middle Market Bankruptcies by Year

In business filings with \$1MM+ in liabilities



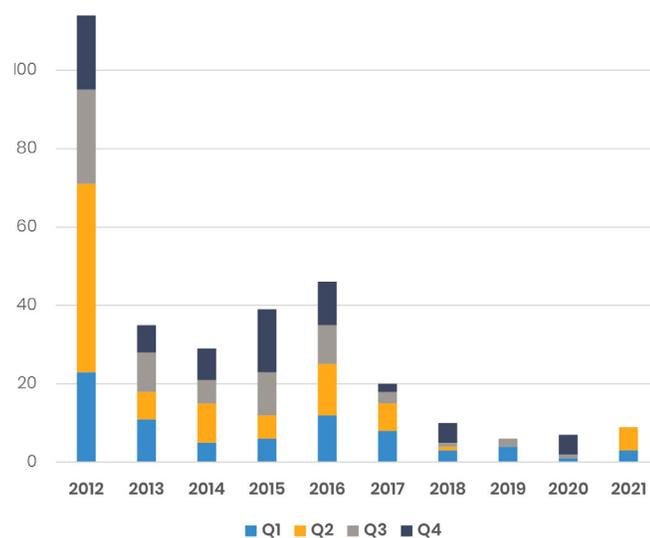
Rocky Mountain West Middle Market Bankruptcies Q1 + Q2 2021

In business filings with \$1MM+ in liabilities



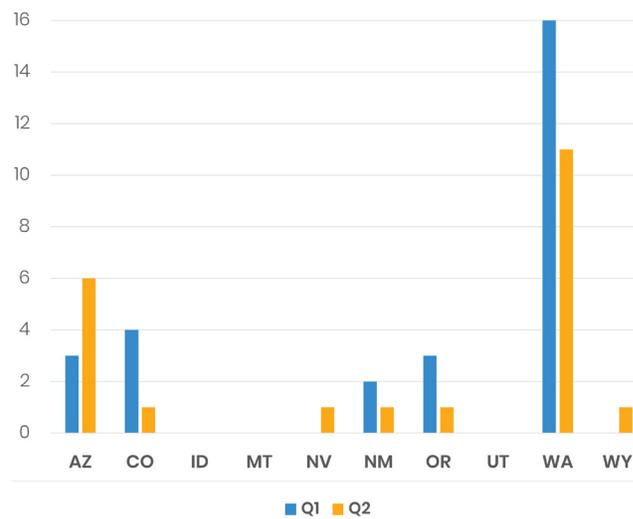
Arizona Middle Market Receiverships by Year

In business filings with \$1MM+ in liabilities



Rocky Mountain West Middle Market Receiverships Q1 + Q2 2021

In business filings with \$1MM+ in liabilities



TAKEAWAYS

When looking at bankruptcies, most filings happened in Q1 in Nevada, Colorado, Arizona, and Washington state. The Colorado Secretary of State also reported that dissolution filings (non-bankruptcy) were at a record high of 10,658 businesses in Q1 2021.

Washington State's high receivership rate could be connected to challenges in hospitality due to Covid-19. Several real estate and hospitality companies were affected in Washington's receiverships. Interestingly, 22% of all Washington receiverships with \$1MM+ in liabilities this year have come from the same source: a private lender that provides residential construction, all-in-one, bridge, and fix & flip loans.

ABOUT THE RESOLUTE INDEX

The Resolute Index was created to provide an overall interpretation of Arizona's workout industry trends. This report analyzes the individual workout dynamics at play in the State of Arizona and its comparison with those same metrics on a regional level. In addition, the Resolute Index measures noteworthy trends in bankruptcy filings and the overall business climate in the Rocky Mountain West region of the United States, which includes Washington, Oregon, Idaho, Montana, Wyoming, Nevada, Utah, Colorado and Arizona.

Our proprietary database of receivership and bankruptcy filings for entities with assets over \$1MM creates unique insights. The Resolute Index shares our assessment of the overall workout environment as it relates to the data compiled in our research.

ABOUT RESOLUTE

Since 2008, Resolute has been providing solution-oriented financial advisory services including corporate renewal, receivership, forensic accounting and litigation support. Resolute has provided services in 33 states across the country and has been involved with more than 300 distressed engagements with assets totaling over \$1 Billion. Resolute's ability to maximize value in entangled business situations has been utilized by financial institutions, corporations, law firms, state courts, and federal courts.

The information and any statistical data contained herein were obtained from sources that we believe to be reliable, but we do not represent that they are accurate or complete, and they should not be relied upon as such. All estimates and opinions expressed herein constitute judgments as of the date of this report and are subject to change without notice.