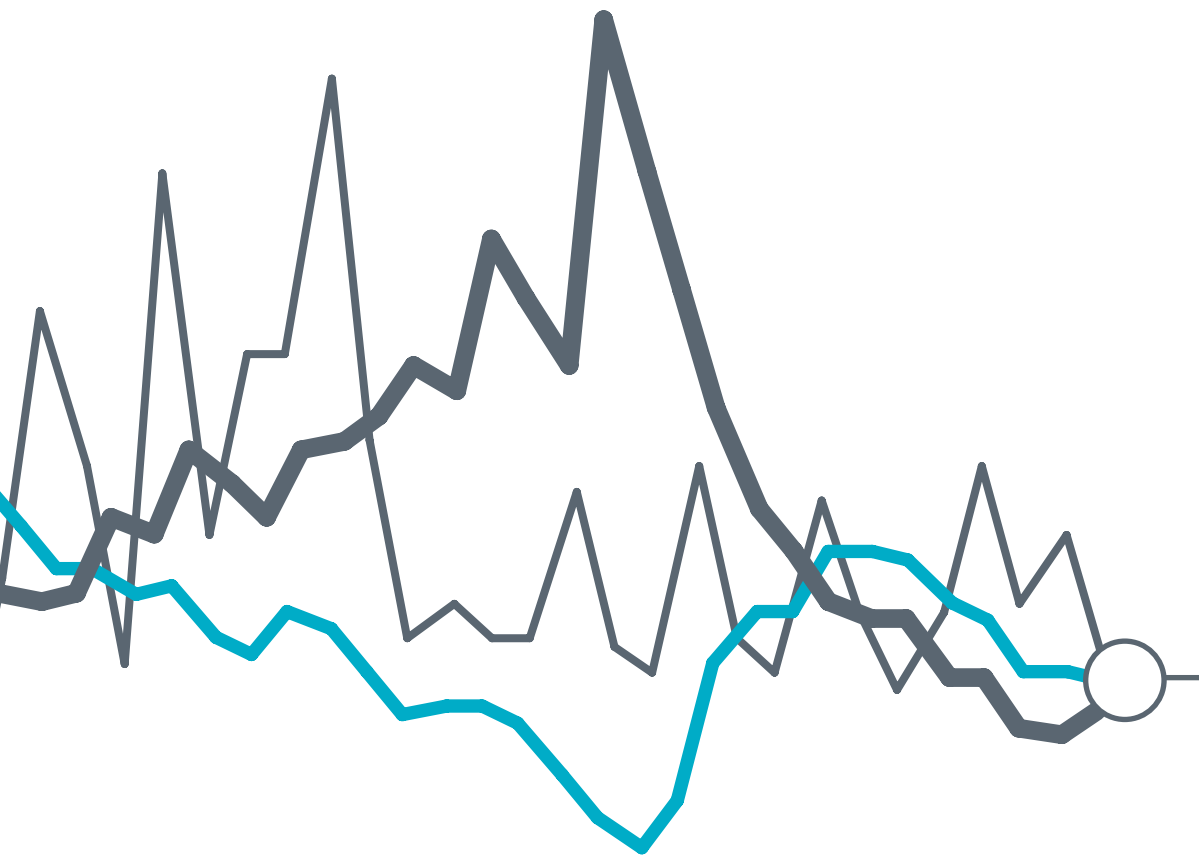


4th

Quarter 2016
ANALYSIS



POLSINELLI | TrBK

DISTRESS INDICES

The Polsinelli | TrBK Distress Indices are prepared and published quarterly. The indices are contrarian measures of economic performance, and are intended to reflect the level of economic distress in the U.S. economy by tracking the increase or decrease in comparative Chapter 11 filings for prior quarters and years, based on a rolling four-quarter average.

The indices reflect relevant Chapter 11 filings with assets more than \$1 million, and exclude individual and involuntary cases.

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or go to www.distressindex.com

Bankruptcy data is provided exclusively by TrollerBk.com.
www.trollerbk.com

Detailed publication information is set out at the end of this report.

Welcome to the 4th Quarter 2016 Report for the **Polsinelli | TrBK Distress Indices**. The indices use filtered Chapter 11 filings as a proxy for distress in the overall U.S. economy and certain subsectors.

4th Quarter 2016 HIGHLIGHTS

The **Chapter 11 Distress Research Index** was 48.01 for the fourth quarter of 2016. The index increased slightly since the last period and has increased 5 out of the last 6 quarters. Compared with the same period one year ago, the index is almost 4 points higher or approximately 8%.

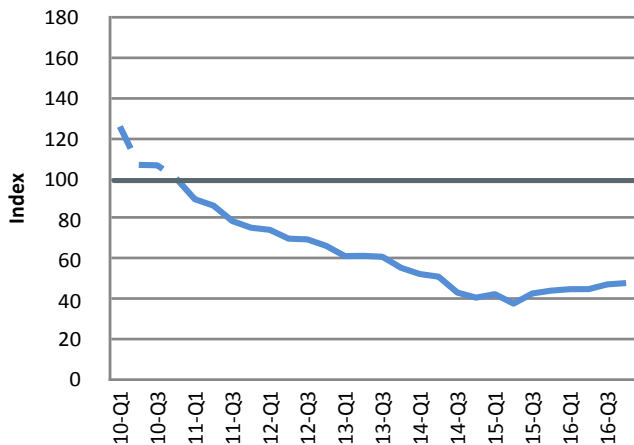
The **Real Estate Distress Research Index** was 25.92 for the fourth quarter of 2016. This is an increase of nearly 2 points since the last quarter. The Real Estate Index has increased 3 of the last 4 quarters. Compared with the same period one year ago, the index has increased by 1 point.

The **Healthcare Services Distress Research Index** was 150.00 for the fourth quarter of 2016. Over the last 4 quarters, the Healthcare Services Index has posted record highs since the benchmark period of the fourth quarter of 2010. Compared with the same period one year ago, the index has increased by 28 points, or approximately 23%. The index is 50% above its benchmark in the fourth quarter of 2010.

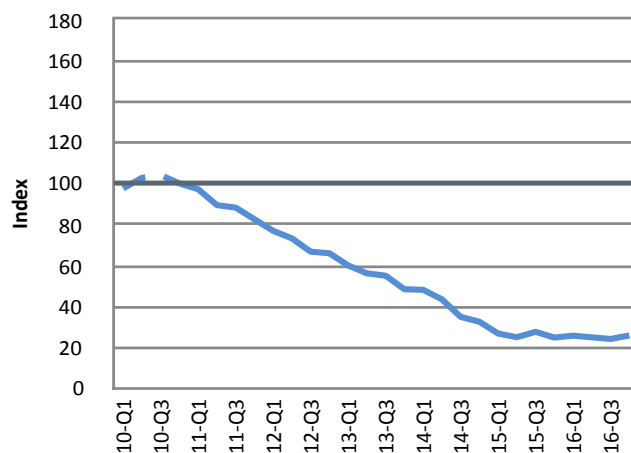
On a trailing four-quarter average, the percentage of real estate filings among all index-measured Chapter 11 filings has decreased from 19.98% in 2010 to 10.78% now, having stayed relatively flat since the last quarter. Healthcare services filings have increased from 1.13% in 2010 to 3.53%.

The Chapter 11 Distress Research Index and the Real Estate Distress Research Index both increased this quarter. Although the Healthcare Services Distress Research Index declined slightly compared with the record highs in the prior three quarters, it remains very high relative to the benchmark period of the fourth quarter of 2010. These increases imply increased distress across the board.

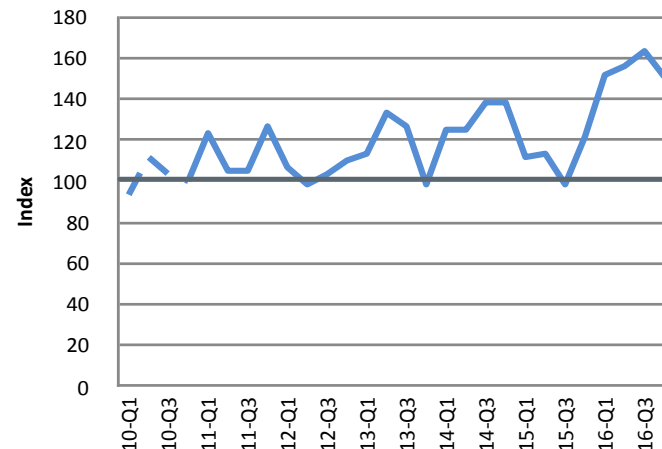
Chapter 11 Distress Index



Real Estate Distress Index



Healthcare Services Distress Index



Polsinelli | TrBK Distress Indices: 4th Quarter 2016

Chapter 11 Distress Index

48.01

Max: 100.00 in 10-Q4
 Min: 37.81 in 15-Q2

Real Estate Distress Index

25.92

Max: 100.00 in 10-Q4
 Min: 24.22 in 16-Q3

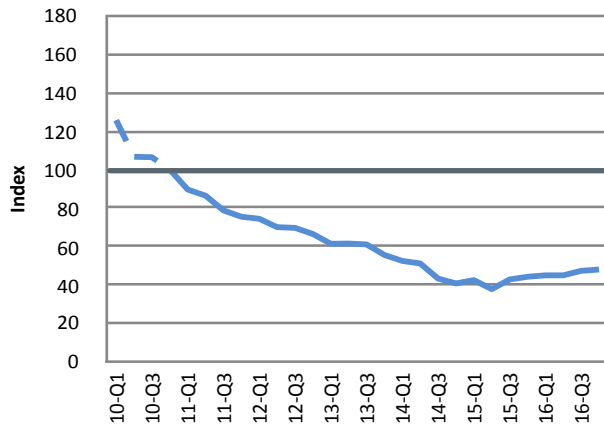
Healthcare Services Distress Index

150.00

Max: 163.33 in 16-Q2 and 16-Q3
 Min: 98.33 in 12-Q2, 13-Q4, and 15-Q3

Indices based on trailing four quarter average, with trailing four quarters ending 10-Q4 equaling 100 as index baseline;
 minimum and maximum values based on 10-Q4 index value and forward.

Chapter 11 Distress Index



For the fourth quarter of 2016, the Polsinelli|TrBK Chapter 11 Distress Research Index was 48.01. This represents a slight increase of nearly two points from last quarter.

Current	Last	1 Year
48.01	47.35	44.25

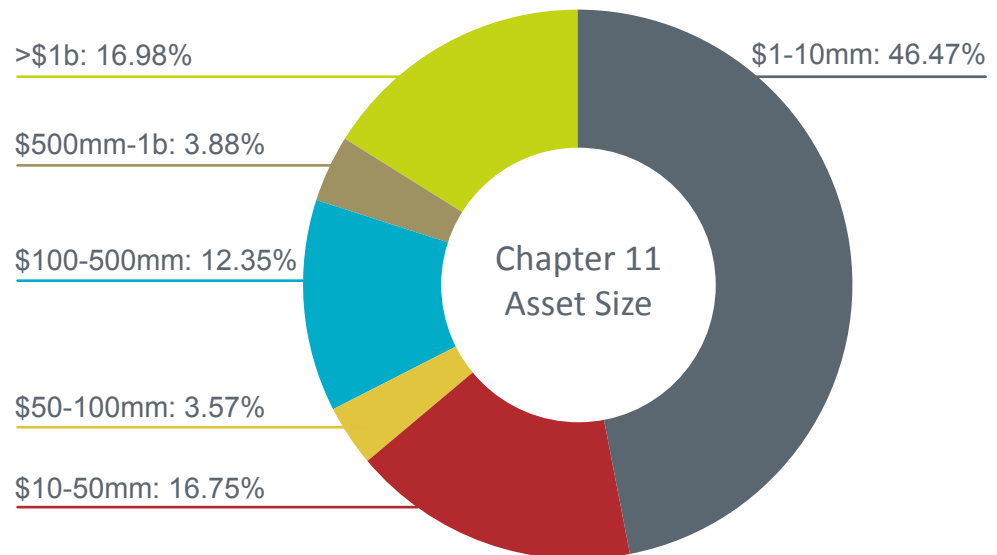
Although the Chapter 11 Distress Index has declined significantly from the 2010 benchmark, it has increased five out of the last six quarters, and appears to indicate increasing distress in the US economy. The index hit its low of 37.81 in the second quarter of 2015, and has increased by almost 27% since that time.

Volatility

Case filing numbers measured in the Polsinelli|TrBK Chapter 11 Distress Research Index have shown significant volatility since the benchmark period of the fourth quarter of 2010. During that period, the number of filings declined 12 times compared to the prior quarter, and increased 12 times compared to the prior quarter. The volume of declines far exceeded any increases in filings, however. The index is measured on a trailing four-quarter basis to smooth out this quarterly volatility and provide a better picture of long-term trends. The Chapter 11 Distress Research Index has declined 17 times compared to the prior quarter, and increased 7 times, reflecting the significant downward trend in general filing levels since 2010. However, despite the overall decline, the Chapter 11 Distress Research Index has increased 6 of the last 8 quarters, demonstrating that overall distress is trending upward over the last 2 years.

Asset Size

The percentage breakdown of index-filings for the current period by asset size is:



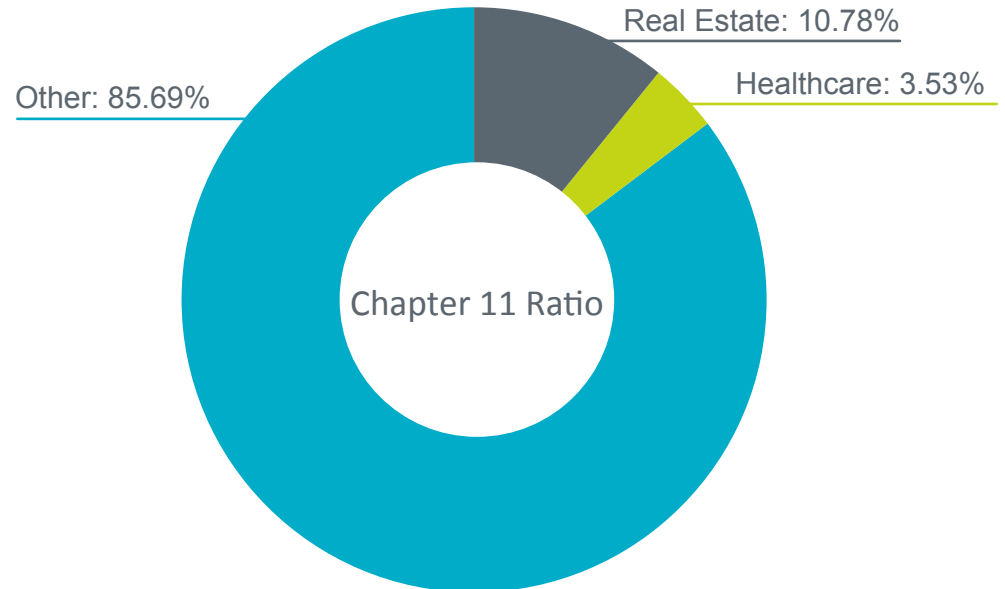


CHAPTER 11 DISTRESS RESEARCH INDEX

Real Estate and Healthcare as Percentages of Total Filings

Real estate filings calculated in the Polsinelli|TrBK Real Estate Distress Research Index represented 10.78% on a rolling four-quarter basis. This is approximately the same as last quarter, which was the lowest that real estate distress has measured as a component of overall distress since the benchmark period of the fourth quarter of 2010. This is likely because overall distress measured in the indices has increased significantly while real estate distress has increased only slightly.

Healthcare services filings measured in the Polsinelli|TrBK Healthcare Services Distress Research Index represented 3.53% of all distressed filings on a rolling four-quarter basis. Healthcare filings have been as low as 1.13% in the benchmark period of the fourth quarter of 2010.

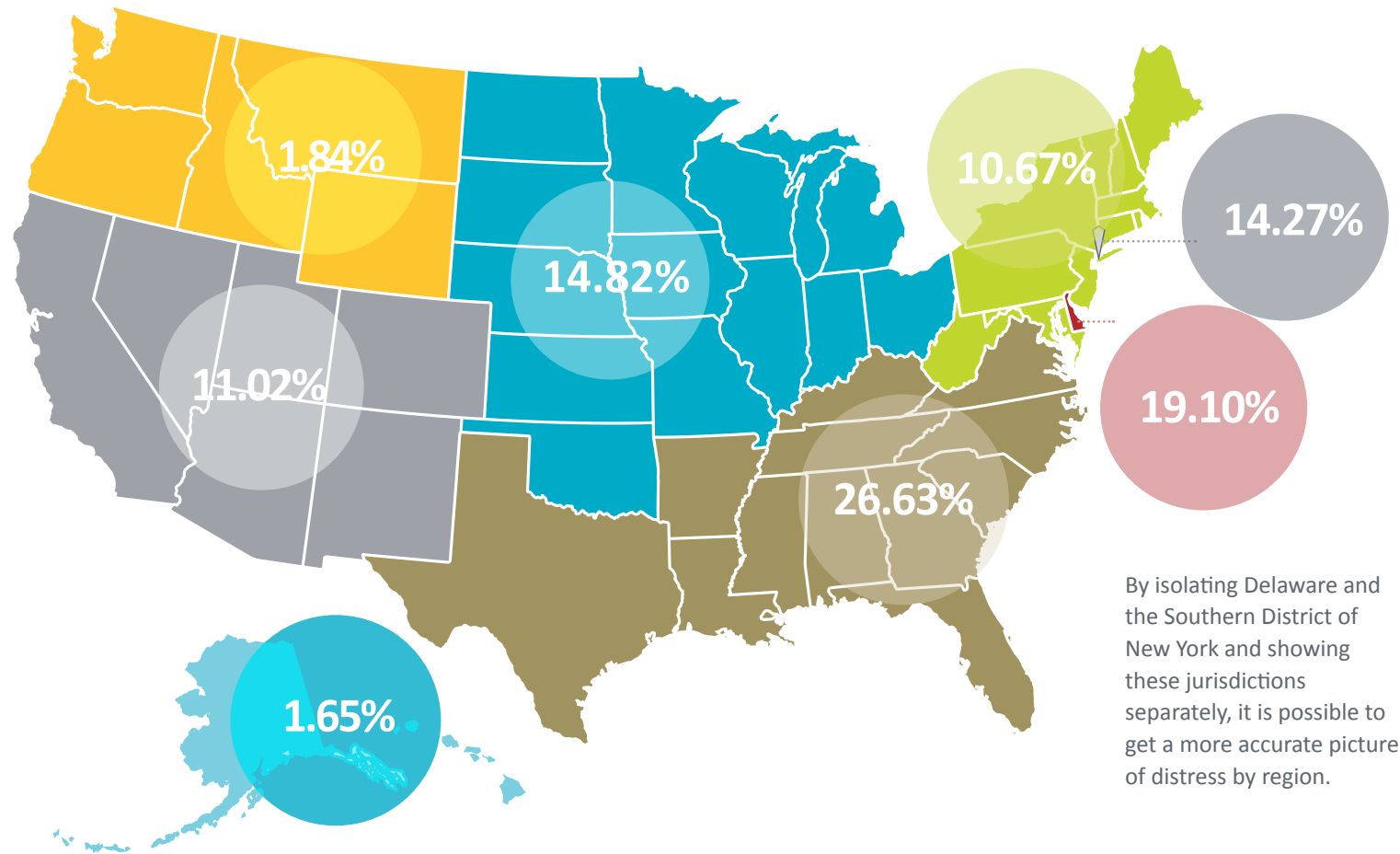


Geography

The percentage breakdown of index-filings for the current period by geographic region is:

GEOGRAPHIC REGIONS

- Midwest
- Non-Continental U.S. & Territories
- Northeast
- Delaware
- Northwest
- Southern District of New York
- Southeast
- Southwest



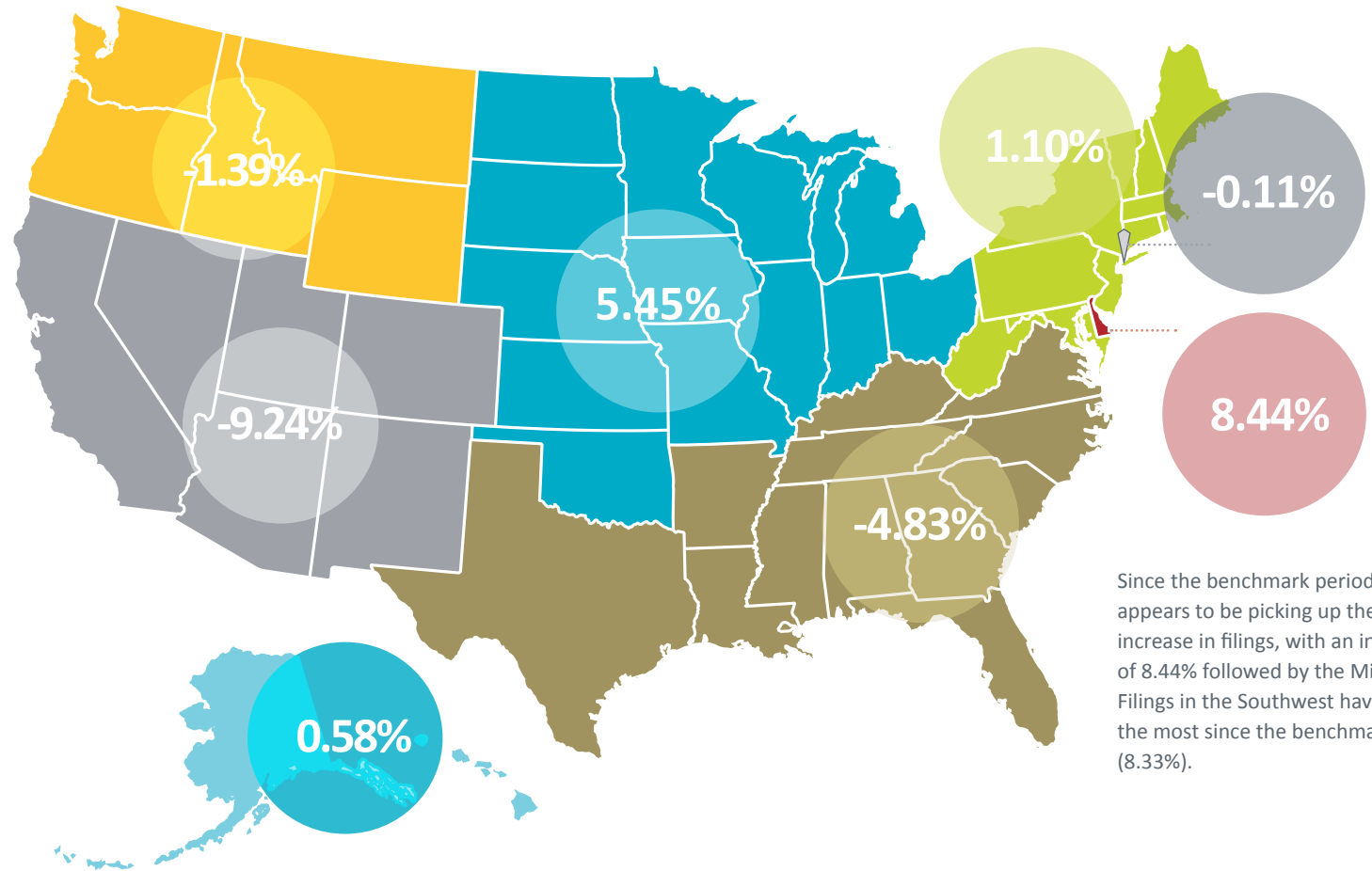
By isolating Delaware and the Southern District of New York and showing these jurisdictions separately, it is possible to get a more accurate picture of distress by region.

Change in Geographic Distribution Since Benchmark Period

Looking at the difference in geographic breakdowns of index filings now versus the benchmark period of fourth quarter 2010, the relative change versus the benchmark is:

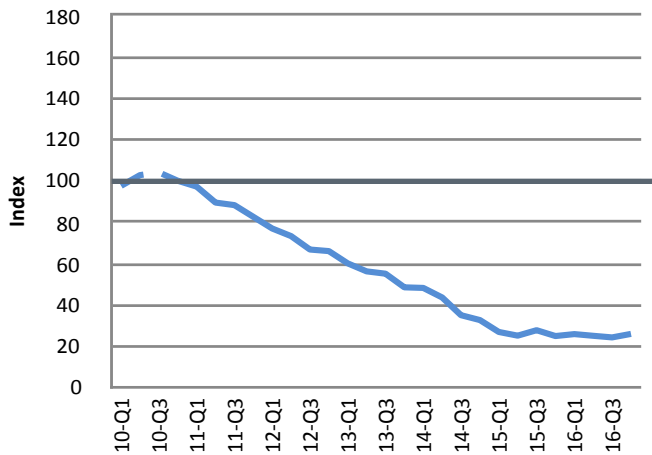
GEOGRAPHIC REGIONS

- Midwest
- Non-Continental U.S. & Territories
- Northeast
- Delaware
- Northwest
- Southern District of New York
- Southeast
- Southwest



Since the benchmark period, Delaware appears to be picking up the greatest increase in filings, with an increase of 8.44% followed by the Midwest. Filings in the Southwest have fallen the most since the benchmark period (8.33%).

Real Estate Distress Index



For the fourth quarter of 2016, the Polsinelli/TrBk Real Estate Distress Index was 25.92. This represents a slight increase since the last quarter.

Current	Last	1 Year
25.92	24.22	24.88

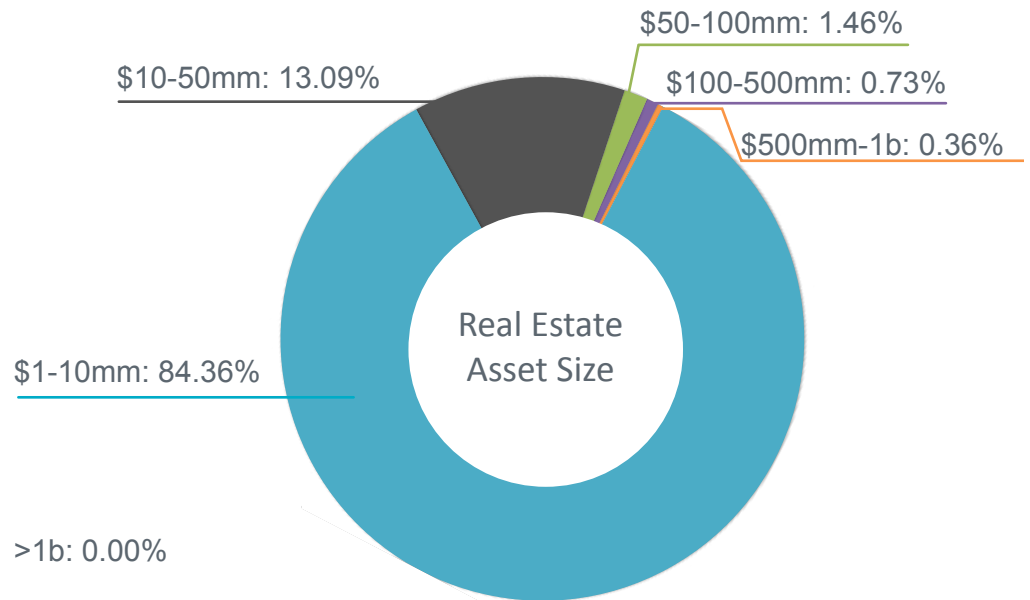
The Real Estate Distress Research Index appears to be relatively flat. The index has remained in a three point range over the last five quarters, but the percentage of real estate filings to total filings has remained relatively stable when the total number of filings in the Chapter 11 Index has increased, suggesting real estate distress is stable, relative to overall distress.

Volatility

Similar to the Chapter 11 Distress Research Index, case filings measured in the Real Estate Distress Research Index show significant volatility quarter-on-quarter. Since the benchmark period of the fourth quarter of 2010, filing numbers declined 13 times compared to the prior quarter, and climbed 11 times compared to the prior quarter. The volume of declines far exceeded any increases in filings. The index is measured on a trailing four-quarter basis to smooth out this volatility and provide a better picture of long-term trends. The Real Estate Distress Research Index has declined 20 times compared to the prior quarter, and increased 4 times, reflecting the significant downward trend in general filing levels since 2010. However, the Chapter 11 Distress Research Index has increased 3 of the last 4 quarters, demonstrating that despite the overall decline, distress in the real estate markets may be trending upward over the last year.

Asset Size

The percentage breakdown of index-filings for the current period by asset size is:

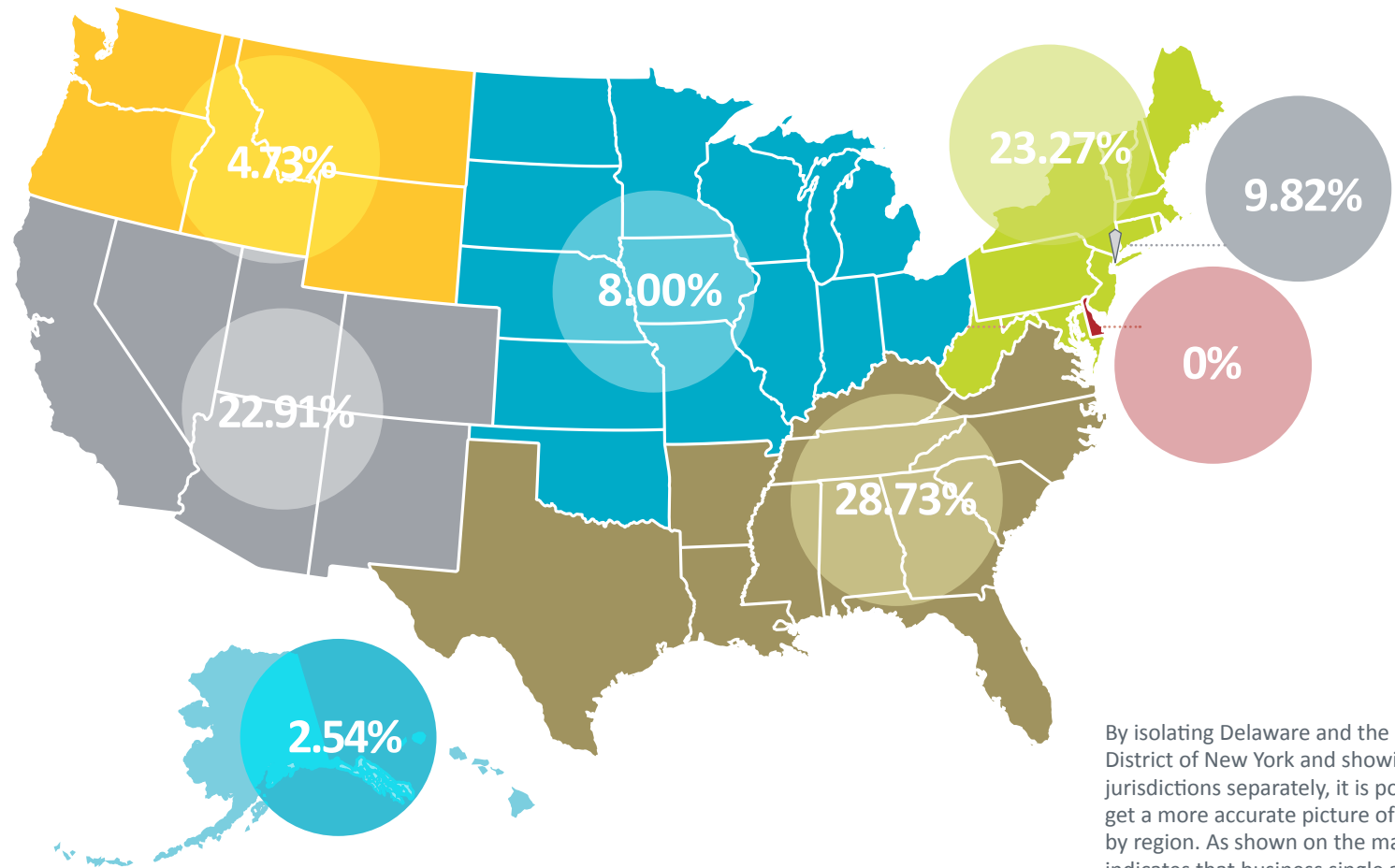


Geography

The percentage breakdown of index-filings for the current period by geographic region is:

GEOGRAPHIC REGIONS

- Midwest
- Non-Continental U.S. & Territories
- Northeast
- Delaware
- Northwest
- Southern District of New York
- Southeast
- Southwest



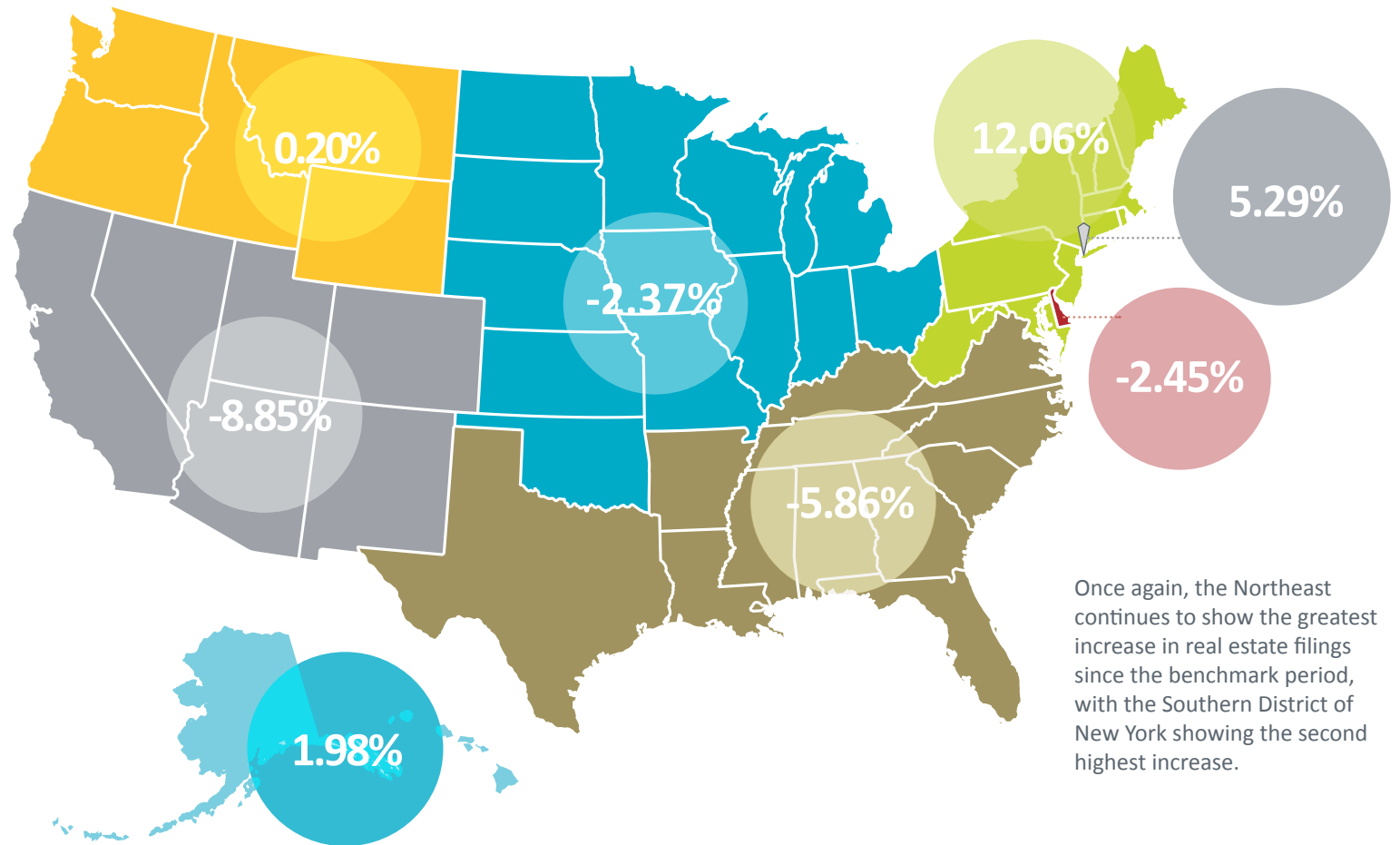
By isolating Delaware and the Southern District of New York and showing these jurisdictions separately, it is possible to get a more accurate picture of distress by region. As shown on the map, data indicates that business single asset real estate filings are much more localized than Chapter 11 filings overall.

Change in Geographic Distribution Since Benchmark Period

Looking at the difference in geographic breakdowns of index filings now versus the benchmark period of fourth quarter 2010, the relative change versus the benchmark is:

GEOGRAPHIC REGIONS

- Midwest
- Non-Continental U.S. & Territories
- Northeast
- Delaware
- Northwest
- Southern District of New York
- Southeast
- Southwest

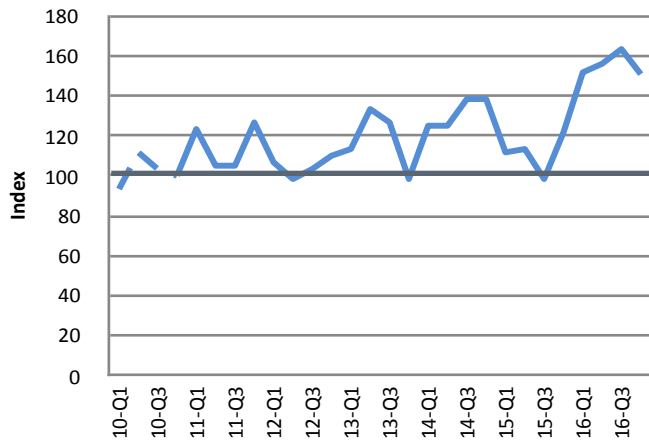


Once again, the Northeast continues to show the greatest increase in real estate filings since the benchmark period, with the Southern District of New York showing the second highest increase.



HEALTHCARE SERVICES DISTRESS RESEARCH INDEX

Healthcare Services Distress Index



For the fourth quarter of 2016, the Polsinelli|TrBK Healthcare Services Distress Research Index remained high at 150. After record highs in the previous three quarters, the Healthcare Services Index remains high. Over the last four quarters, the index has held steady at 50% above the benchmark period of the fourth quarter of 2010, showing that distress in health care remains high. The Healthcare Index remains much higher than the both the Chapter 11 Index representing the broader US economy, and the Real Estate Index.

Current	Last	1 Year
150.00	163.33	121.67

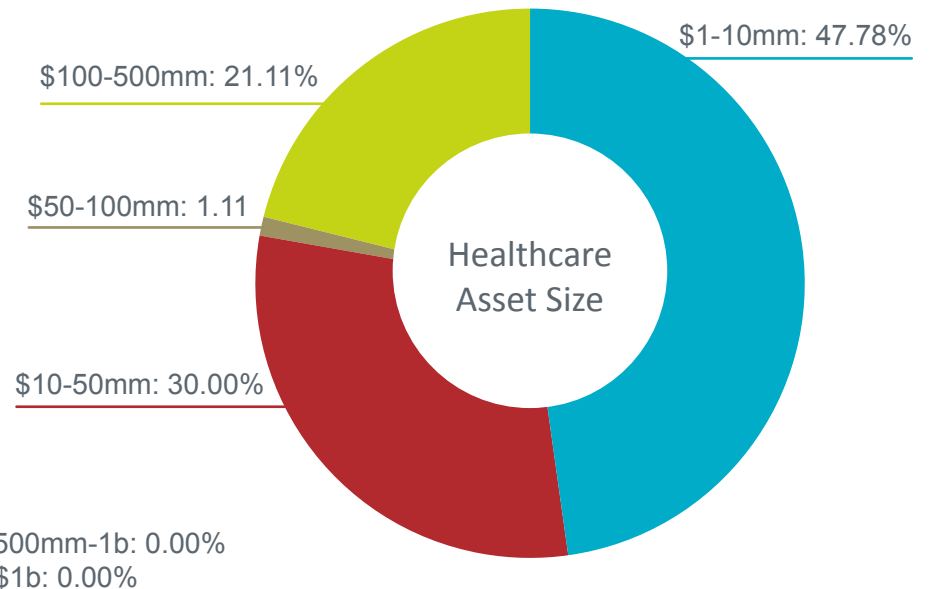
For a look at the underlying causes that are creating financial distress in the healthcare services industry from previous high levels, see the 2015 Polsinelli|TrBK Distress Indices Special Report: Causes of Healthcare Distress in 2014, released on August 13, 2015 and available at www.distressindex.com.

Volatility

Case filing numbers measured in the Healthcare Services Distress Research Index show similar volatility to the other Polsinelli|TrBK Distress Indices when comparing only whether the number is greater or less. Since the benchmark period of the fourth quarter of 2010, filing numbers declined 13 times compared to the prior quarter, and increased 11 times compared to the prior quarter similar to the other indices. For the Healthcare Services Index the volume of increased filings has generally outstripped declines, resulting in an index value that is 50% higher than the benchmark period of the fourth quarter of 2010. The index is measured on a trailing four-quarter basis to smooth out volatility and provide a better picture of long-term trends. The Healthcare Services Distress Research Index has declined 8 times compared to the prior quarter, and increased 12 times, reflecting the significant upward trend in general filing levels since 2010.

Asset Size

The percentage breakdown of index-filings for the current period by asset size is:

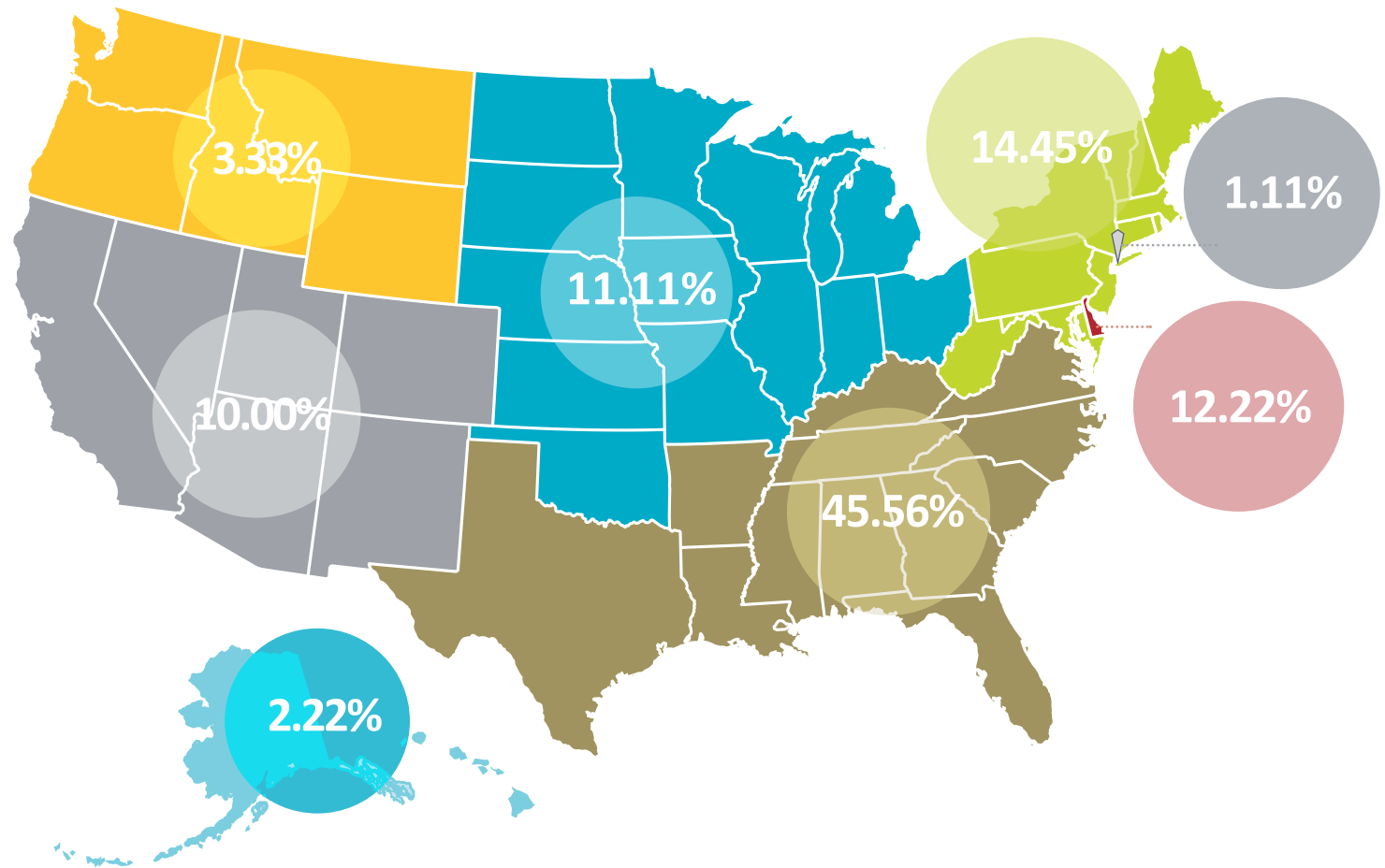


Geography

The percentage breakdown of index-filings for the current period by geographic region is:

GEOGRAPHIC REGIONS

- Midwest
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- Northwest
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- Southwest

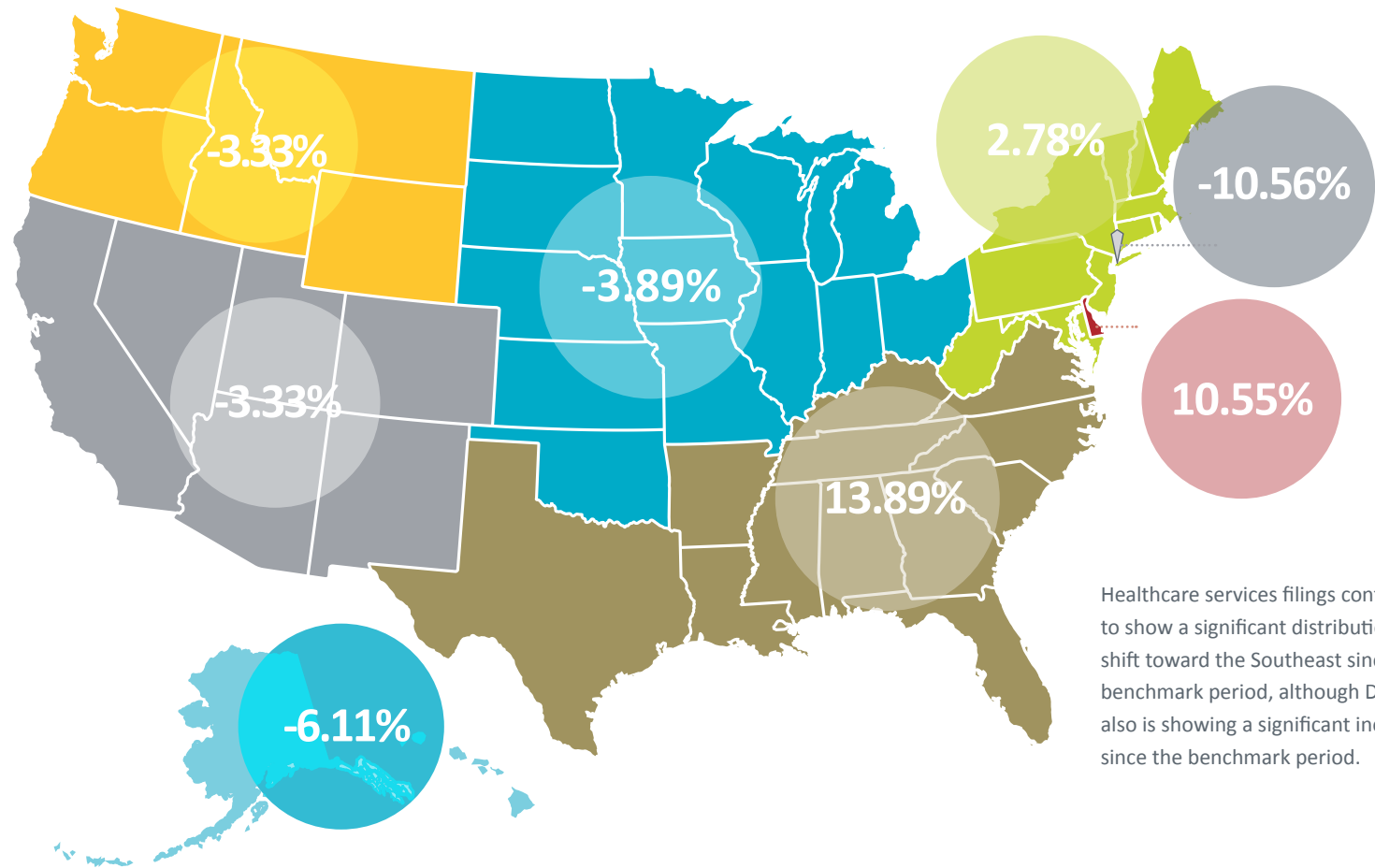


Change in Geographic Distribution Since Benchmark Period

Looking at the difference in geographic breakdowns of index filings now versus the benchmark period of fourth quarter 2010, the relative change versus the benchmark is:

GEOGRAPHIC REGIONS

- Midwest
- Non-Continental U.S. & Territories
- Northeast
- Delaware
- Northwest
- Southern District of New York
- Southeast
- Southwest



Healthcare services filings continue to show a significant distribution shift toward the Southeast since the benchmark period, although Delaware also is showing a significant increase since the benchmark period.

Understanding The Polsinelli | TrBK Distress Indices

The Polsinelli | TrBK Distress Indices© are research indices based on Chapter 11 bankruptcy filing data. The Chapter 11 Distress Research Index serves as the primary index, and is based on filings by entities with assets scheduled at greater than \$1 million dollars as represented on initial Chapter 11 petitions. Individuals and involuntary filings are excluded from the calculation.

The Real Estate Distress Research Index and the Healthcare Services Distress Research Index are subsets of the Chapter 11 Distress Research Index, with each requiring the presence of one additional, and different, criterion. The Real Estate Distress Research Index requires that a filing be classified as a “single asset real estate” case as indicated on the Chapter 11 petition. These filings typically involve companies that are solely in the business of owning and leasing a single property such as an office building, healthcare facility, retail outlet, or multifamily apartment building. The Healthcare Services Distress Research Index requires that the debtor be classified as a “healthcare business” as indicated on the Chapter 11 petition in order to be counted; based on this definition, non-service healthcare businesses are generally excluded from the Healthcare Services Distress Research Index.

The Polsinelli | TrBK Distress Indices also include in their calculation business filings under Chapter 9 (municipalities) that meet the \$1 million threshold criteria, but these are generally a very small number of filings by comparison to Chapter 11. The Indices previously tracked business filings under Chapter 15 (international) as well, but in order to remain consistent with their criteria, the Indices now exclude Chapter 15 because recent government changes mean that Chapter 15 petitions no longer show asset size. The Chapter 11 Index was restated as a result in the first quarter of 2016, with the effect being less than one point in any quarter since the benchmark period, and there was no effect on the Real Estate and Healthcare Services Indices. Chapter 15’s comprise a small number of overall filings.

The indices are contrarian measures of economic performance, so that a low index value is likely to occur in a strong economy, and a higher index value is likely to occur when financial distress is escalating. Thus, the indices are one indicator intended to suggest potential health or trouble in the economy. The indices track the increase or decrease in comparative Chapter 11 filings for prior quarters and years. The indices provide economic information that may not be reflected by the broader stock market averages, because the indices include both public and private company information.

The indices are calculated from 2010 through the present, and are benchmarked based on filing numbers in 2010. The indices are based on independent data collected and provided exclusively by the TrollerBk.com bankruptcy service, and not U.S. government statistical information (although that information is likely to be consistent within a margin of error).

While information for each individual quarter is available from 2010 forward, the indices are calculated on a rolling four-quarter basis in order to control for volatility, and to provide a more relevant picture of existing and long-term trends.

The historical filing information from which the Polsinelli | TrBK Distress Indices are calculated is available for purchase to the public from the TrollerBk.com bankruptcy service. In addition, weekly reports of newly filed cases anticipated to meet the criteria for the indices are also available for purchase from the TrollerBk.com bankruptcy service on a subscription basis.

Publication Information

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The Indices are published quarterly, generally within 45 days after the end of each calendar quarter, and are overseen by an Index Advisory Committee consisting of Bobby Guy (Polsinelli), Robert Dempsey (Polsinelli), Jeremy Johnson (Polsinelli), Richard Romero (CBIZ Valuation Group, LLC), Prof. Matthew S. Shotwell, Ph.D (Vanderbilt University*), and a representative from TrollerBk.com. All publications are subject to copyright and legal protections. Permission to reprint the indices themselves is granted to recipients so long as appropriate attribution is given to Polsinelli | TrBK and the indices are presented in their original formats with their appropriate names.

The indices are edited by Bobby Guy, Robert Dempsey, and Jeremy Johnson, and members of the Mergers & Acquisitions, Real Estate, Healthcare, and Bankruptcy & Restructuring teams at Polsinelli. For more information on the Polsinelli | TrBK Distress Indices, and for media inquiries, please contact Jeremy Johnson at 646.289.6507 or jeremy.johnson@polsinelli.com or Bobby Guy at 615.259.1511 or bguy@polsinelli.com.

To purchase the historical data from which the indices are computed, or for weekly notices regarding all new cases likely to meet the criteria for the indices, contact third party data provider TrollerBk.com, at 210.816.3103 or info@TrollerBk.com.

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*Matthew S. Shotwell, Ph.D., is Assistant Professor, Department of Biostatistics, Vanderbilt University, and acts as an independent consultant in connection with the Polsinelli | TrBK Distress Indices. No affiliation between the indices and Vanderbilt University is expressed or implied.