

To: Users of Egan-Jones Credit Ratings

From: Egan-Jones Ratings Group

Date: November 30, 2020

Summary:

Earlier this month, Egan-Jones analysts identified a potential model use error within the company's Redmaster model and subsequently confirmed that the error is material for one existing private placement rating (i.e., it results in a two notch error in the model-implied rating for this one credit rating). This error, which related to incorrect industry ratios, has since been corrected.

Actions:

- 1) Egan-Jones will re-committee the one credit rating that is potentially impacted by the material model error and will inform the client of the result; and
- 2) As a precautionary measure, Egan-Jones will review six additional credit ratings where the company has determined there was a lesser, immaterial impact.