

MIRA INFORM REPORT

Report No. :	519085
Report Date :	12.07.2018

IDENTIFICATION DETAILS

Name :	NATIONAL STORES, INC.
Registered Office :	15001 S Figueroa St Gardena Ca 90248, USA
Country :	United States
Financials (as on) :	2017 (Summarized)
Date of Incorporation :	20.11.1961
Legal Form :	Corporation
Line of Business :	<ul style="list-style-type: none"> Subject owns and operates a chain of off-price stores Its stores provide apparel for men and kids; tops, bottoms, and other apparel for women; backpacks and school apparel; shoes; home decor products; and scrubs.
No. of Employees :	1100

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	Slow but Correct
Litigation :	Exist

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

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ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
United States	A1	A1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

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UNITED STATES - ECONOMIC OVERVIEW

The US has the most technologically powerful economy in the world, with a per capita GDP of \$59,500. US firms are at or near the forefront in technological advances, especially in computers, pharmaceuticals, and medical, aerospace, and military equipment; however, their advantage has narrowed since the end of World War II. Based on a comparison of GDP measured at purchasing power parity conversion rates, the US economy in 2014, having stood as the largest in the world for more than a century, slipped into second place behind China, which has more than tripled the US growth rate for each year of the past four decades.

In the US, private individuals and business firms make most of the decisions, and the federal and state governments buy needed goods and services predominantly in the private marketplace. US business firms enjoy greater flexibility than their counterparts in Western Europe and Japan in decisions to expand capital plant, to lay off surplus workers, and to develop new products. At the same time, businesses face higher barriers to enter their rivals' home markets than foreign firms face entering US markets.

Long-term problems for the US include stagnation of wages for lower-income families, inadequate investment in deteriorating infrastructure, rapidly rising medical and pension costs of an aging population, energy shortages, and sizable current account and budget deficits.

The onrush of technology has been a driving factor in the gradual development of a "two-tier" labor market in which those at the bottom lack the education and the professional/technical skills of those at the top and, more and more, fail to get comparable pay raises, health insurance coverage, and other benefits. But the globalization of trade, and especially the rise of low-wage producers such as China, has put additional downward pressure on wages and upward pressure on the return to capital. Since 1975, practically all the gains in household income have gone to the top 20% of households. Since 1996, dividends and capital gains have grown faster than wages or any other category of after-tax income.

Imported oil accounts for more than 50% of US consumption and oil has a major impact on the overall health of the economy. Crude oil prices doubled between 2001 and 2006, the year home prices peaked; higher gasoline prices ate into consumers' budgets and many individuals fell behind in their mortgage payments. Oil prices climbed another 50% between 2006 and 2008, and bank foreclosures more than doubled in the same period. Besides dampening the housing market, soaring oil prices caused a drop in the value of the dollar and a deterioration in the US merchandise trade deficit, which peaked at \$840 billion in 2008. Because the US economy is energy-intensive, falling oil prices since 2013 have alleviated many of the problems the earlier increases had created.

The sub-prime mortgage crisis, falling home prices, investment bank failures, tight credit, and the global economic downturn pushed the US into a recession by mid-2008. GDP contracted until the third quarter of 2009, the deepest and longest downturn since the Great Depression. To help stabilize financial markets, the US Congress established a \$700 billion Troubled Asset Relief Program (TARP) in October 2008. The government used some of these funds to purchase equity in US banks and industrial corporations, much of which had been returned to the government by early 2011. In January 2009, Congress passed and former President Barack OBAMA signed a bill providing an additional \$787 billion fiscal stimulus to be used over 10 years - two-thirds on additional spending and one-third on tax cuts - to create jobs and to help the economy recover. In 2010 and 2011, the federal budget deficit reached nearly 9% of GDP. In 2012, the Federal Government reduced the growth of spending and the deficit shrank to 7.6% of GDP. US revenues from taxes and other sources are lower, as a percentage of GDP, than those of most other countries.

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Wars in Iraq and Afghanistan required major shifts in national resources from civilian to military purposes and contributed to the growth of the budget deficit and public debt. Through FY 2018, the direct costs of the wars will have totaled more than \$1.9 trillion, according to US Government figures.

In March 2010, former President OBAMA signed into law the Patient Protection and Affordable Care Act (ACA), a health insurance reform that was designed to extend coverage to an additional 32 million Americans by 2016, through private health insurance for the general population and Medicaid for the impoverished. Total spending on healthcare - public plus private - rose from 9.0% of GDP in 1980 to 17.9% in 2010.

In July 2010, the former president signed the DODD-FRANK Wall Street Reform and Consumer Protection Act, a law designed to promote financial stability by protecting consumers from financial abuses, ending taxpayer bailouts of financial firms, dealing with troubled banks that are "too big to fail," and improving accountability and transparency in the financial system - in particular, by requiring certain financial derivatives to be traded in markets that are subject to government regulation and oversight.

In December 2012, the Federal Reserve Board (Fed) announced plans to purchase \$85 billion per month of mortgage-backed and Treasury securities in an effort to hold down long-term interest rates, and to keep short-term rates near zero until unemployment dropped below 6.5% or inflation rose above 2.5%. The Fed ended its purchases during the summer of 2014, after the unemployment rate dropped to 6.2%, inflation stood at 1.7%, and public debt fell below 74% of GDP. In December 2015, the Fed raised its target for the benchmark federal funds rate by 0.25%, the first increase since the recession began. With continued low growth, the Fed opted to raise rates several times since then, and in December 2017, the target rate stood at 1.5%.

In December 2017, Congress passed and President Donald TRUMP signed the Tax Cuts and Jobs Act, which, among its various provisions, reduces the corporate tax rate from 35% to 21%; lowers the individual tax rate for those with the highest incomes from 39.6% to 37%, and by lesser percentages for those at lower income levels; changes many deductions and credits used to calculate taxable income; and eliminates in 2019 the penalty imposed on taxpayers who do not obtain the minimum amount of health insurance required under the ACA. The new taxes took effect on 1 January 2018; the tax cut for corporations are permanent, but those for individuals are scheduled to expire after 2025. The Joint Committee on Taxation (JCT) under the Congressional Budget Office estimates that the new law will reduce tax revenues and increase the federal deficit by about \$1.45 trillion over the 2018-2027 period. This amount would decline if economic growth were to exceed the JCT's estimate.

Source : CIA

STATUTORY INFORMATION

Legal Name	NATIONAL STORES, INC.
Trade Name	Fallas
ID	ID
ID Details	C0423631
Creation Date	1961
Incorporation Date	11/20/1961
Legal Address	15001 S FIGUEROA ST GARDENA CA 90248, USA
Operative Address	15001 South Figueroa Street Gardena, CA 90248 United States
Telephone	310-324-9962
Fax	310-324-9129
Legal Form	CORPORATION
E-Mail	NA
Registered In	CALIFORNIA
Website	www.fallasstores.net
Contact	Michael Fallas - President and Chief Executive Officer
Staff	1100
Activity	SIC Code: 5311, Department Stores NAICS Code: 452210, Department Stores

BANKS

Name of Bank	Reported Amount
Bank of America	
Description	-

HISTORY

History

National Stores Inc was founded in 1961.

Key Developments

National Stores Discloses Data Breach
Thursday, January 25, 2018

National Stores Inc., the parent company of more than 300 value stores, disclosed Jan. 22 that its computers had been the subject of a malware attack.

Michael Fallas, National Stores' chief executive officer, said the attack gave hackers access to shoppers' payment-card information. The attack took place between July 16 and Dec. 11, 2017.

"We have been working closely with the FBI, cyber-security experts and payment-card brands to contain the incident and protect our customers' payment cards," Fallas said in a statement. "The malware has been removed from our system, and no customers will be responsible for any fraudulent charges to their accounts. We are in the process of strengthening the security of our point-of-sale systems to prevent this from happening in the future."

The affected payment-card information may have included names, payment-card numbers, expiration dates and security codes. Fallas did not disclose the number of payment cards affected.

National Stores is encouraging customers to carefully review and monitor their payment-card account statements. If a customer believes his or her payment card may have been affected, the customer should immediately contact his or her bank or card issuer.

Further information for customers can be found at the National Stores website at www.fallasstores.net/home-1 or by calling (833) 214-8746.
NA

Parent Company

PRINCIPAL ACTIVITY

General Description

National Stores Inc owns and operates a chain of off-price stores in the United States.

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 info@mirainform.com
 Website : http://www.mirainform.com
 http://www.miraglobalcheck.com
 http://www.miraglobalcollections.com

Service/Product Description	Its stores provide apparel for men and kids; tops, bottoms, and other apparel for women; backpacks and school apparel; shoes; home decor products; and scrubs.
Sales	Retail
Operations Area	National
Imports From	Mexico, Indonesia, Hong Kong
Employees	1100 employees
Payments With Suppliers	Slow but Correct
Brands	
Brand	Comments

National Stores currently does business as Fallas, Fallas Paredes, Fallas Discount Stores, Factory 2-U, Anna's Linens by Fallas and Falas (spelled with a single "l" in Puerto Rico).

Clients

Name of Client	Country	Comments
Private Customers		-

Comments -

Suppliers

Supplier Name	Country	Comments
Hockey Sportprint SA De Cv.	Mexico	-
Pt. Icons Sukses Garment	Indonesia	-
Exp. Sales And Inspection Co.	Hong Kong	-
Lachmi S Int L Ltd.	Hong Kong	-

Comments -

LOCATION

Headquarters	15001 South Figueroa Street Gardena, CA 90248 United States
Branches	Los Angeles Branch: 4771 Whittier Boulevard Los Angeles, CA 90022 , USA Santa Ana Branch: 201 West 4th Street Santa Ana, CA 92701, USA Phoenix Branch: 4105 North 51st Avenue # 139 Phoenix, AZ

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<http://www.miraglobalcollections.com>

85031, USA Long Island Branch: 3108 Steinway Street
Astoria, NY 11103, USA

It operates more than 350 stores in 22 states and Puerto Rico, doing business under eight banners including Fallas, Fallas Paredes, Factory 2-U and Anna's Linens. Stores offer brand-name and private-label clothing for men, women, boys, girls, juniors, infants and toddlers, along with lingerie, shoes and household items.

GROUP STRUCTURE AND SUBDIARY COMPANIES

Listed at the stock exchange	No
Capital	NA
Shareholders (%)	The major holder of this company is Michael Fallas.
Management	Michael Fallas - President and Chief Executive Officer Dyan Jozwick, Executive Vice President Diane Kayser, Executive Vice President Operations
Subsidiary Companies	Chris Nichols, Vice President Loss Prevention Factory 2 U 3600 Gus Thomasson Rd #175, Mesquite, TX 75150,USA J & M Sales Inc 15001 South Figueroa Street Gardena, CA 90248 United States FP Stores Inc 15001 South Figueroa Street Gardena, CA 90248 United States
Related Companies	No related companies were found.

FINANCIAL INFORMATION

General Description	The company does not make its financial statements public. The following information has been provided by private sources:
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Year/Currency	2017 USD
Sales	1.Billion
Money Flow	Normal
Exports	NA
Import Fob Dollar Year	Amount
There are not Import Fob Dollar informed	
Export Fob Dollar Year	Amount
There are not Export Fob Dollar informed	

LEGAL FILINGS

Lawsuits	<p>ARKWRIGHT LLC v. NATIONAL STORES, INC. Plaintiff: ARKWRIGHT LLC Defendant: NATIONAL STORES, INC. Case Number: 2:2018cv02341 Filed: June 5, 2018 Court: Pennsylvania Eastern District Court Office: Philadelphia Office County: Philadelphia Presiding Judge: PAUL S. DIAMOND Nature of Suit: Contract: Other Cause of Action: 28:1332 Diversity-Breach of Contract Jury Demanded By: None</p> <p>Just Retail Services, Inc. v. National Stores, Inc. Plaintiff: Just Retail Services, Inc. Defendant: National Stores, Inc. Counter_claimant: National Stores, Inc. Counter_defendant: Just Retail Services, Inc. Case Number: 8:2018cv00827 Filed: April 6, 2018 Court: Florida Middle District Court Office: Tampa Office County: Hillsborough Presiding Judge: Richard A. Lazzara Referring Judge: Thomas G. Wilson Nature of Suit: Other Contract Cause of Action: 28:1332</p>
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Jury Demanded By: Defendant

Galvez v. National Stores, Inc. et al
Plaintiff: Manuel Galvez
Defendant: National Stores, Inc. and Southern Island
Stores, LLC
Case Number: 1:2018cv10278
Filed: February 13, 2018
Court: Massachusetts District Court
Office: Boston Office
County: Essex
Presiding Judge: Allison D. Burroughs
Nature of Suit: Fair Labor Standards Act
Cause of Action: 29:201
Jury Demanded By: Plaintiff

Johnson v. 6300 Mack Road LLC et al
Plaintiff: Scott Johnson
Defendant: 6300 Mack Road LLC and National Stores,
Inc.
Case Number: 2:2017cv02475
Filed: November 26, 2017
Court: California Eastern District Court
Office: Sacramento Office
County: Sacramento
Referring Judge: Carolyn K. Delaney
Presiding Judge: Troy L. Nunley
Nature of Suit: Americans with Disabilities - Other
Cause of Action: 42:12101
Jury Demanded By: None

Morris v. National Stores, Inc
Plaintiff: Adel Morris
Defendant: National Stores, Inc
Case Number: 3:2017cv00879
Filed: May 26, 2017
Court: Connecticut District Court
Office: New Haven Office
County: Hartford
Presiding Judge: Vanessa L. Bryant
Nature of Suit: Other Personal Injury
Cause of Action: 28:1332
Jury Demanded By: Defendant

Shadley v. Southern Island Stores, LLC et al
Plaintiff: Tiffany Shadley
Defendant: Southern Island Stores, LLC and National
Stores, Inc.
Case Number: 1:2017cv02845

Trademarks	Filed: April 14, 2017 Court: Illinois Northern District Court Office: Chicago Office County: Cook Presiding Judge: Andrea R. Wood Nature of Suit: Other Personal Injury Cause of Action: 28:1332 Jury Demanded By: Defendant STARTINGLINE men's, women's and children's clothing, namely, shirts, pants, shorts, sweaters, sweatshirts, jackets, hats, socks and sneakers... Owned by: National Stores, Inc. Serial Number: 78252996 No records found.
Patents Registered	Document Type: SI-NO CHANGE File Date: 01/23/2018 Document Number: FT93759
Renewals	Document Type: SI-COMPLETE File Date:10/05/2009 Document Number: 09417965
	Document Type: AMENDMENT File Date: 11/20/1975
	Document Type: AMENDMENT File Date: 05/28/1963
UCC (Uniform Commercial Code)	Document Type: REGISTRATION File Date:11/20/1961 No records found.
OFAC Sanctions List Search	The company is not listed in the OFAC list.

SUMMARY

Summary	Founded in 1961, National Stores Inc is an organization in the Department Stores Industry headquartered in Gardena, CA. The company has 1100 regular employees and generates an estimated \$1 billion USD in annual revenue. It is ACTIVE in business with medium credit risk.
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RISK INFORMATION

Debts	Controlled
Payments	Slow but Correct
Cash Flow	Normal
State	Active

INTERVIEW

First Name	Mark
Position	Sales
Comments	He confirmed the name of the company, the address of the headquarters and location of the company, the name of the CEO and the date of creation of the company.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.82
UK Pound	1	INR 91.34
Euro	1	INR 80.79
US Dollar	1	INR 68.54

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	VAR
Report Prepared by :	DNS

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)