

MIRA INFORM REPORT

Report No. :	536162
Report Date :	26.10.2018

IDENTIFICATION DETAILS

Name :	THE COLD HEADING CO.
Registered Office :	21777 Hoover Warren, MI 48089 USA Daniel Morrell, Registered Agent
Country :	United States
Financials (as on) :	2017 (Summarized)
Date of Incorporation :	1912
Legal Form :	Michigan Domestic Profit Corporation
Line of Business :	Subject manufactures and distributes cold-formed fasteners primarily for the automotive industry.
No. of Employees :	1,100

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 :	Good
Payment Behaviour :	Regular
Litigation :	Clear

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 (30.06.2018)	Current Rating (30.09.2018)
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 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.

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.

The Federal Reserve Board (Fed) announced plans in December 2012 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	THE COLD HEADING CO.
Trade Name	THE COLD HEADING COMPANY
ID	ID
ID Details	020325
Creation Date	1912
Incorporation Date	September 7, 1951
Legal Address	21777 Hoover Warren, MI 48089 USA Daniel Morrell, Registered Agent
Operative Address	21777 HOOVER RD WARREN, MI, 48089-2544 United States
Telephone	(586) 497-7000
Fax	(586) 497-7007
Legal Form	Michigan Domestic Profit Corporation
E-Mail	chsales@coldheading.com
Registered In	Michigan (MI)
Website	www.coldheading.com
Contact	Derek J. Stevens, Co-Chairman and Chief Executive Officer
Staff	1,100 employees
Activity	SIC Code 3452, Bolts, Nuts, Screws, Rivets, and Washers NAICS Code 332722, Bolt, Nut, Screw, Rivet, and Washer Manufacturing

BANKS

Name of Bank	Reported Amount
Comerica Bank	NA
Description	The company does not make its banking data public.

HISTORY

History	The company was founded in 1912
Key Developments	NA
Parent Company	The company is a subsidiary of Beachlawn Inc.

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PRINCIPAL ACTIVITY

General Description

The Cold Heading Co Inc. manufactures and distributes cold-formed fasteners primarily for the automotive industry

Service/Product Description

It offers hex flanges, hex caps, pan heads, studs, wheel bolts, critical and safety products, powertrain products, suspension products, assembly products, weld bolts, production products, and prototype products. The company also provides laboratory services, including torque/tension testing, strain gauge analysis, tensile testing, yield testing, proof load testing, prevailing torque evaluation, hardness and micro-hardness evaluation, material grain flow evaluation, and eddy current analysis; manufacturing support services; and metal processing services. It also serves heavy truck, military, automotive aftermarket, wind power, appliance, recreational, construction, and racing industries worldwide.

PRODUCTS

Hex Flange
Hex Cap
Pan Head
Studs
Wheel Bolts
Critical and Safety
Powertrain
Suspension
Assembly
Weld Bolts
Production
Prototype

LABORATORY SERVICES

Torque/Tension Testing
Strain Gauge Analysis
Tensile Testing
Yield Testing
Proof Load Testing
Prevailing Torque Evaluation
Hardness & Micro-Hardness Evaluation
Material Grain Flow Evaluation
Eddy Current Analysis

MANUFACTURING SUPPORT SERVICES

3D Design & Engineering

			Prototyping CMM/ Reverse Engineering CNC Grinding CNC Milling CNC Turning/Lathe EDM Machining Services
			METAL PROCESS SERVICES Wire Processing Plating Locking & Sealing Heat Treat
Sales			Wholesale and Retail
Operations Area			National and International
Imports From			UK
Export To			Worldwide
Employees			1,100 employees
Payments With Suppliers			Regular
Brands			Comments
Brand			NA
AJAX			NA
4HEX			NA
Clients			
Name of Client	Country		Comments
Continental Automotive Mexicana SA De Cv	MEXICO		NA
Schaeffler Korea Corporation	SOUTH KOREA		NA
Transejes Ecuador Cia Ltda.	ECUADOR		NA
Comments			INDUSTRIES SERVED Automotive Heavy Truck Military Automotive After Market Wind Power Appliance Recreational Construction Racing
Suppliers			
Supplier Name	Country		Comments
Optimas Solutions	UK		NA
Comments			-

LOCATION

Headquarters	21777 HOOVER RD WARREN, MI, 48089-2544 United States
Branches	The company has heat treat facilities in Detroit and Warren, Michigan; and Fremont, Indiana. AJAX METAL PROCESSING DETROIT OPERATIONS 4651 Bellevue Detroit, Michigan 48207 (313) 267-2100 quote@ajaxmetal.com www.ajaxmetal.com WOLVERINE CARBIDE AND TOOL 684 Robbins Drive Troy, MI 48083 Warren, Michigan 48089 (248) 247-3888 sales@wolverinecarbide.com www.wolverinecarbide.com
Industries	NA

GROUP STRUCTURE AND SUBDIARY COMPANIES

Listed at the stock exchange	NO
Capital	NA
Shareholders (%)	This is a private company. The company does not disclose information on shareholders. The following information has been obtained through private sources and could not be confirmed: The company is a subsidiary of Beachlawn Inc. Address: 21777 Hoover Road Warren, MI 48089 United States Phone: 586-497-7000 Fax: 586-497-7007
Management	Derek J. Stevens, Co-Chairman and Chief Executive Officer David Goss, Vice-President Daniel Morrell, Registered Agent Ted Parker, Quality Manager James Makarewicz, Electronic Sort Manager Dana Pozniak, Account Manager Jim Yacks, Plant Manager

Subsidiary Companies	NA
Related Companies	The company has offices in Japan and China.

FINANCIAL INFORMATION

General Description	The company does not make its financial statements public. The following information has been provided by private sources:
Year/Currency	2017 USD
Sales	110,000,000
Money Flow	Normal
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

Description	Certifications: ISO 14001 All Facilities TS16949Fremont-small IATF 16949 & ISO 9001 Fremont, Indiana Facilities TS16949Hudson-small IATF 16949 & ISO 9001 Hudson, Indiana Facilities TS16949Warren-small IATF 16949 & ISO 9001 Warren, Michigan Facilities TS16949Cleveland-small ISO/TS 16949:2009 Cleveland, Ohio Facilities TS16949Cleveland-small ISO 14001:2015 Cleveland, Ohio Facilities
Lawsuits	The Cold Heading Co. v. B&D Thread Rolling, Inc. d/b/a B&D Cold Heading

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Plaintiff: The Cold Heading Co.
Defendant: B & D Thread Rolling, Inc.
Case Number: 2:2011cv15189
Filed: November 23, 2011
Court: Michigan Eastern District Court
Office: Detroit Office
County: Macomb
Presiding Judge: Gerald E. Rosen
Referring Judge: Paul J. Komives
Nature of Suit: Trademark
Cause of Action: 15:1125
Jury Demanded By: Plaintiff

Trademarks

4HEX - Trademark Details
Status: 732 - Third Extension - Granted
Image for trademark with serial number 86813768
Serial Number 86813768
Word Mark 4HEX
Status 732 - Third Extension - Granted
Status Date 2018-07-05
Filing Date 2015-11-09
Mark Drawing 4000 - Standard character mark Typeset
Published for Opposition Date 2016-11-15
Attorney Name John S. Artz
Law Office Assigned Location Code M10
Employee Name PHILLIPS, WENDELL SHAR

Patents Registered

No found

Renewals

No records found

UCC (Uniform Commercial Code)

No records found

OFAC Sanctions List Search

The company is not listed in the OFAC list.

SUMMARY

Summary

Founded in 1912, The Cold Heading Co Inc. manufactures and distributes cold-formed fasteners primarily for the automotive industry.

The company has approximately 1,100 employees and generates an estimated USD 110 million in annual revenue.

The company imports from UK and exports worldwide, operating within national and international markets.

The company is a subsidiary of Beachlawn Inc.

This has been an ACTIVE company incorporated in MICHIGAN in 1951.

RISK INFORMATION

Debts
Payments
Cash Flow
State

Controlled
Regular
Normal
ACTIVE

INTERVIEW

First Name
Position
Comments

Anne
Operator
The person contacted confirmed name, telephone, this email chsales@coldheading.com, website, address, main activity and operations area.
She asked the reason of the call and transferred it.
The person then contacted confirmed branches and operations area.
She refused to provide further information through the phone.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.27
UK Pound	1	INR 94.62
Euro	1	INR 83.65
US Dollar	1	INR 73.29

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

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	TRU

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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)