

Hilco Asset Protection, LLC

Outsourced Loss Prevention Services



Our Loss Prevention people and programs succeed in any retail environment.

Our experience in every sector of retailing ensures we can solve your loss prevention challenge.

As a global leader in protecting inventories during retail store closings and inventory dispositions, Hilco Asset Protection provides high-level Loss Prevention services in a wide range of retail environments.

Our professionals have worked in every retail sector, in every type of store and in every store environment, including malls, strip centers and stand-alone facilities. We have provided effective Loss Prevention services to big box retailers as well as small, specialty store operators.

Our Loss Prevention expertise, vision and programs are available to any retailer whose strategic objective is to reduce criminality, curtail profit erosion and create a better environment for employees and customers, alike.

Retail is our specialization. We have worked with virtually every retail format. This broad and deep perspective is an invaluable resource as it enables us to structure Loss Prevention programs especially suited to the exact needs of any type of retail business model.

Experience... it is the advantage you get with Hilco

- > Over a quarter century of Asset Protection experience.
- > LP professionals that have protected inventories valued in excess of \$100 billion.
- > The ability to assess needs and implement LP programs quickly.
- > A full array of services from one source.



You work hard to earn a profit. We'll help you keep it!

Our mission is to help you maximize profitability by protecting the assets of your organization. Our people and programs will protect your assets; create a safer, more productive, pleasant workplace for associates, and a pleasurable shopping experience for your customers.

More than 50% of the \$34 billion stolen from retailers every year is the result of employee theft. Associate uncertainty in a store-closing environment increases an already staggering internal risk. Our experience rapidly addresses and quickly implements programs to identify and eliminate dishonest associate behavior.

Hilco Asset Protection has developed programs that provide recognition for honest associates, eliminate

dishonest associates and positively influence associates who are sitting on the fence.

Clients have called upon us to design programs that quickly mitigate losses in the top 20 percent of their facilities, where 80 percent of their losses occur. We have also established or improved existing Loss Prevention programs designed to deter dishonest acts and thoroughly investigate, apprehend and prosecute individuals who knowingly and willfully commit illegal acts against the company, associates, and customers.

Hilco Asset Protection provides a comprehensive array of professional services, delivered locally, regionally, and internationally.

Depending upon your requirements, we can provide one or more of the following services at a fraction of the cost of an in-house equivalent:

Audits and Assessments

- > Shortage risk assessments
- > Internal financial audits
- > Loss prevention - merchandise transfer audits
- > Loss prevention - operational compliance audits
- > Distribution center audits

Investigation and Monitoring

- > Dishonest associate interviewing
- > POS exception reports
- > Bank deposit and register cash variance
- > Sexual harassment
- > Workplace violence

Pre-Employment Screening (within FCRA sanctions and guidelines - U.S. only)

- > Criminal background
- > Credit history
- > Drug testing
- > Employment Verification

Brand and Product Counterfeit Detection and Investigation

Shopping Service

- > Focus on Operations
- > Focus on Compliance
- > Focus on Customer Service
- > Focus on Integrity

Security and Loss Prevention Control

- > Door seal program
- > Targeted control - high shortage locations
- > 24-hour monitored business abuse hotline
- > 24-hour monitored digital CCTV systems
- > Contracted agencies shortage programs

Education and training

- > Executive Loss Prevention seminars
- > New hire Loss Prevention seminars
- > Daily/weekly Loss Prevention bulletins
- > Shortage impact awareness campaign
- > Contracted agencies orientations

Our continent-wide LP network offers you localized support.



No matter how many stores you have or where they're located, Hilco Asset Protection has highly-trained, seasoned Loss Prevention personnel close at hand to micro-manage every aspect of your asset protection program. Throughout the U.S. and Canada, over 175 field consultants (see map for general locations ●) are on-call to support our programs on a local level.

Our front-line field personnel are experienced and qualified to conduct compliance audits, integrity shopping service, employee interviews and various other types of investigations. Hilco's personnel can act as your liaison with local, state and federal law enforcement jurisdictions to ensure appropriate criminal investigation is pursued.

Localized professionals... advantage you get with Hilco

- > Faster response to initial program set-up and implementation.
- > A greater understanding of the local population and appreciation of local customs creates more cooperation and improves productivity.
- > Continuous, on-site supervision minimizes relaxation of employee commitments and responsibilities.
- > Local personnel help control program expenses.

Hilco delivers measurable results!

Hilco builds accountability into its Loss Prevention programs. After all, the only true measure of an LP program's effectiveness is a steady decline in incidents of criminal behavior and a corresponding reduction in inventory and cash shortages, workplace violence and customer service complaints. That is why we believe in the importance of tracking and reporting.

If you have a Loss Prevention program in place, but are looking to expand or enhance it, chances are good you have historical data which can be used as

a benchmark to track the results Hilco's programs achieve. However, in the event you are establishing a new Loss Prevention initiative, Hilco will set-up a thorough measurement and reporting system that your staff can maintain long after Hilco's engagement concludes.

Our highly trained LP Professionals make the difference. With many years of experience the Hilco Asset Protection team will make a positive impact on your exposure issues immediately!



To illustrate the capabilities and professionalism of Hilco's LP personnel and programs, consider this example:

A recent retail assignment involved suspicious transactions between several vendors and the Director of Information Technology for a regional furniture chain. Working with federal, state and local law enforcement agencies, Hilco Asset Protection professionals conducted an investigation that identified a substantial loss of operating funds.

It was determined through further investigation that the IT Director had created several "shell" companies

and was defrauding his employer by paying himself through these bogus companies for work that had never been done. These companies were simply post office boxes located in several states.

An interview was conducted with the suspect and a written statement, which detailed the extent of the fraud, was obtained. At the request of the client, a promissory note was made, accepted and was paid.

Negative publicity was avoided and the client received a check for the full amount of \$210,000.

Hilco Clients and Testimonials

WE HAVE PROTECTED THE ASSETS OF THESE AND OTHER COMPANIES.

- Athlete's Foot Stores, Inc
- Bank of America
- Boyd's
- Dick's Sporting Goods
- Federated Department Stores
- Forever 21
- Florsheim Shoes
- Frank's Nursery and Crafts
- Goodwill Industries
- H&M
- Heilig Meyers
- Homeland
- Homelife
- JC Pennys
- Just For Feet
- Kids R Us
- Kmart
- Levin Furniture
- Macy's
- MC Sports
- McWhorter's
- Merrill Lynch
- Polo
- Ralph Lauren
- Radio Shack
- Riva Ridge Capital Management
- Rue 21
- Sports Shoe
- Toys R Us
- Warner Brothers

“Hilco professionals have integrated LP solutions seamlessly and exceeded our expected ROI.”

Director of Human Resources
Levin Furniture

“Hilco’s LP team and its leadership have the experience and know how to solve the most complex asset protection problems.”

VP Loss Prevention
Dick’s Sporting Goods

“I have worked with Hilco’s LP staff on several difficult asset protection projects and have found them to be uncompromising in their efforts and ethics.”

SVP Operations
Macy’s South

“The Hilco Asset Protection group is an extraordinary resource to any organization that wants to protect inventory.”

VP Loss Prevention Global Services
Polo Ralph Lauren

POCKET

