

Discovery Time Compressed. Swift Settlement Reached.

THE MISSION

Somerset Capital provides receivership and restructuring advisory services. Their team was brought in to address a cannabis business receivership after Chapter 11 was blocked federally — inheriting a box of financial documents, nearly no cash, multiple legal entities, and an imminent payroll deadline.

THE CHALLENGE

Establishing the Financial Baseline for a Cannabis Receivership

To quickly establish a defensible financial baseline for a distressed cannabis receivership — identifying what was owed, what assets existed, and what could form the basis of an accelerated settlement.



No Bankruptcy Option

Cannabis businesses cannot file Chapter 11 federally — leaving receivership as the only path without the court structure that normally guides the process.



Disorganized Records

The operation had a multitude of legal entities, nearly no cash, and physical boxes of financial documents stored in a warehouse.



Complex Entity Structure

Tracing how capital had been invested required tracking funds across multiple intertwined legal entities with no clean set of books.



Urgent Timeline

Payroll was looming and the business was losing money — there was no luxury of time to pursue thorough manual reconstruction.

SOLUTION

Valid8 Accelerates the Receivership

Valid8 established a defensible financial baseline within days — enabling swift, evidence-backed settlement.

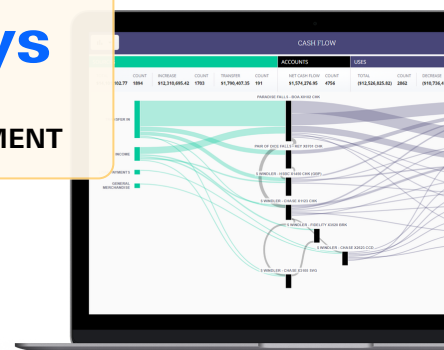
- ✓ **Transaction Extraction at Scale:** Boxes of documents and statements uploaded to Valid8; each statement was identified, transactions extracted, and reconciled against period balances.
- ✓ **Automated Transfer Identification:** Patented matching algorithms identified transfers between accounts and entities — automating identification of undisclosed assets.
- ✓ **Settlement Preparation:** After a quick analysis and 1-click export to Excel, Somerset Capital presented evidence to attorneys who worked out a settlement without the hassle and cost of complex litigation.

RESULTS

Financial Baseline Established. Settlement Reached.

In a matter of days, Somerset Capital identified missing statements, traced the flow of funds through a myriad of legal entities, and quantified what was owed — accelerating settlement discussions and identifying additional assets to include.

MULTIPLE ENTITIES

Days**TO
SETTLEMENT****Performance Wins**

To Financial Baseline

Days

Financial picture established within days of receiving docs

Reconciliation Time

Hours

Verified reconciled data ready within hours of each upload

Population Verified

Full

All entities and accounts reviewed — no sampling

Export to Counsel

1-Click

Evidence packaged and delivered to attorneys immediately

"We are in the business of shortening the time to resolution... Given the documents, there was no way to get a handle on things in a reasonable timeframe that would hold up in Court / Civil suit without Valid8."

Somerset Capital

WRAP UP

Building the Baseline That Enables Settlement

When you inherit disorganized records in a receivership, getting to a defensible financial baseline fast is the whole game. Valid8 compresses discovery time from months to days — giving restructuring professionals the facts they need to move.