



Audit Integrity responds to Westwood One

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As promised, Audit Integrity has responded to Westwood One's complaint as to its assessment that [WW1 was number four on the list of companies likely to go bust over the next 12 months](#). This was published in Forbes.com. [Westwood had said the article was misleading and based on outdated and inaccurate information.](#)

Responded Audit Integrity: "As an objective approach to identifying bankruptcy risk, the Audit Integrity Bankruptcy Risk model has been demonstrated to produce excellent results and has been well received in a market that is extremely concerned about bankruptcy risk. The model is based on quantitative assumptions using fundamental data and market information, which we have found to be most predictive of bankruptcy.

Bankruptcy is indeed a low-frequency event, but other events short of bankruptcy are also harmful to corporate stakeholders such as default on loans, layoffs and restructuring, asset sales, and other techniques management teams use to stave off bankruptcy. Moreover, many stakeholders - including insurers and credit managers, among others - use bankruptcy models to determine their overall risk exposure and would view corporations with high bankruptcy risk relative to other companies as much more likely to suffer from costly events related to weakened financial condition."

<http://www.rbr.com/radio/20707.html>