



### *Understanding Working Capital Loan*

#### **Financing Program Tailored For Your Business**

As borrowers, small businesses are high risk because many fail in the first or second year of their life. Some manage a steady growth; some will take a few years to really get traction and move toward growth. With this working capital loan, you can keep borrowing until you and your business have the credibility to qualify for a traditional loan. Then we'll be sorry to say goodbye, but very excited to know that we have made an impact to your success. Since we offer other financial products, we will be here to serve you along the way.

#### **Key to Your Success!**

Successful repayment of your loan is simple. All you have to do is ensure that you have enough funds in your bank account to cover the cost of your payment. This working capital loan is reported to both your personal and business credit. The automatic repayment of your loan will help you to develop a positive track record so you can access improved rates with us and other banking institutions.

#### **Unsecured Working Capital Loan**

- Daily Direct Debit Payments - increased your success for timely payment
- Lower Total Interest Cost - your principal is reduced faster by daily payments, and interest is calculated only on weekdays
- Tuned to Your Business - our lending decisions focus on cash flow and payment behaviors, rather than your credit score
- Cheaper Than Merchant Cash Advance - as much as half the cost (cash advance is a loan against your future credit card sales). This is not merchant cash advance or factoring. This is unsecured business loan.

#### **When Can I Renew to Get Additional Capital?**

The goal of this working capital loan is to offer you increasing amounts of capital at decreasing rates as we develop history with you and your business. Once you have successfully repaid 50-60% of your loan, you will be eligible to apply for another loan. On time track record with us gives you that secure feeling that capital is no longer illusive when you need it the most.

#### **Why is Payment Collected Daily?**

Payment is collected Monday thru Friday excluding holidays. This unsecured loan is offered to create an opportunity for higher risk businesses to access fairly priced working capital loans by connecting them to investors that are willing to look beyond the credit score and lend based on strong cash flow. Since we understand the power of your business' cash flow, we have implemented an automatic daily repayment system that gives investors confidence that their risk is minimized and allows you to stay focused on running your business rather than managing your loan.

#### **What Happens if my Business Experiences Trouble?**

It happens to the best of us but if you know you are going to miss payments because some unexpected bills have hit you, or you're having a bad month, tell us! We are flexible, and will work with you to accommodate your needs if you work with us.



### What Happens if I Do Miss A Payment?

If you are unable to alert us in time and we attempt to deduct funds from your account and are unable to do so, we will charge a Returned Payment Fee of \$25.

### Can I Prepay?

You can prepay your loan at any time. However, interest calculated on the total loan to maturity must still be paid. Our loans are so short that our margin earned is small. If loans are prepaid we barely cover our costs – and we'd like to make money, just like you would!

### Do I have to switch my credit card processor?

No. We simply review your credit card information to determine the performance of your business.

## Underwriting & Fees Explained

### Business Guideline 1:

(Businesses who accept credit cards)

- Credit score as low as 540 is acceptable
- Minimum one (1) year time in business
- Average bank balance of \$3k
- Max loan up to \$100,000
- Max term 12 month – no switching processor

### Business Guideline 2:

(Businesses who don't accept credit cards)

- Minimum credit of 600+
- Minimum two (2) yrs time in business
- Average bank balance of \$3-5k
- Max loan amount \$50,000
- Max term 6 or 9 months

### Personal Credit Benchmarks

When examining credit, we want to make sure you don't have any overwhelming personal debt, or any warning signals of trouble, such as bankruptcy or foreclosures within the last 5 yrs. We look at an average of the personal credit scores of the owners of the business, weighted by ownership percentage. Since this is an unsecured loan, all owners must be on the application and sign personal guarantee.

### Business Credit Benchmarks

Just like your personal credit, we also look for business bankruptcies, liens or any other signs that your business has had trouble in the past, or is it not in a condition fit to be receiving more credit. Over leveraged with lacking cash flow is not a good fit.

### Fee Descriptions

All fees are collected within each Total Daily Payment. When you receive your full documents, charts will be shown how each daily payment would be distributed across principal, interest and fees if all fees were distributed evenly. You will only see a transaction in the amount of the Total Daily Payment each business day.

**Loan Guaranty Fee** - Small businesses face challenges raising capital because as a group, you are at a high risk of defaulting. We charge a loan guaranty fee on each small business loan, to be set aside as a pool of assets to cover defaults from our customers.

**Loan Servicing Fee** - Includes processing your daily payments and providing customer service to you through our online Customer Portal, on the phone, or via mail.



**Philip B. Smith, O.D.**  
OPTOMETRIST

Jeff Thon  
Liberty Capital Group, Inc.  
7007 Osler St.  
San Diego, CA 92111

Dear Jeff,

I want to thank you and Liberty Capital Group for making my loan of \$50,000.00 easy and quick. I had tried a number of banks to secure a short-term loan, extension on a line of credit or any other loan they might offer and none was offered. Within three weeks of application (short and easy form) you had deposited the amount in my checking account.

I would highly recommend you and your company for those who are seeking this type of non-secured loan. I look forward to working with you in the future.

Sincerely,

Philip B. Smith, O.D.



April 14, 2010

To whom it may concern:

The entire loan process from the initial telephone call to gathering the required information for approval went much quicker and smoother than I ever imagined. I have dealt with traditional banks for over 25 years and have never experienced such an effortless transaction. I would recommend Liberty Capital for short term capital needs without any reservation.

Mark Rigsbee  
President  
CST Data  
Charlotte, N.C.