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December 23, 2021

CONFIDENTIAL

VIA EMAIL

The Honorable James E. Clyburn
Chairman
Select Subcommittee on the Coronavirus Crisis
2157 Rayburn House Office Building
Washington, DC 20515

Re: Production in Response to Subcommittee Request Letter

Dear Chairman Clyburn:

We are writing on behalf of Blueacorn PPP, LLC (“Blueacorn”) in response to your November 22, 2021 letter asking for information regarding Blueacorn’s Paycheck Protection Program (“PPP”) loan processing activities.

Blueacorn remains committed to cooperating fully with the Subcommittee’s inquiry, and continues to review potentially responsive information and documents. Today, in accordance with the agreement between Blueacorn and Subcommittee staff that Blueacorn should provide its responses on a rolling basis, we are submitting in the attached spreadsheet Blueacorn’s response to Information Request Nos. 2 & 3—the requests asking for a week-by-week breakdown of how many loans processed by Blueacorn were approved and how many were denied. To assist the Subcommittee staff with interpreting the numbers in the attached spreadsheet, this letter provides a brief explanation of how the data has been organized.

The rows of the spreadsheet represent the individual weeks. As we discussed during a prior meeting, Blueacorn determined that the most logical and useful way to assign applications to a specific week was to use the date on which the applicant *started* the loan application, rather than the date on which the loan was denied or approved. In particular, because an application may take several weeks or months to complete as Blueacorn works with the applicant to compile the requisite documentation and verify eligibility, the rejection date for many applications was merely an arbitrary date when batches of incomplete applications were closed out. For the Subcommittee to see the actual progress of lending decisions over time, we believe it is most useful to tabulate how many applications that began in a particular week were granted and how

many were denied. Note that although the Subcommittee's requests ask for data since April 1, 2020, Blueacorn has only been involved in processing PPP loans since January 2021, and only in any significant volume since the opening of the extension of the second round of the PPP in late February 2021.

The columns of the spreadsheet reflect the different stages in the process at which loan applications could be denied or rejected. This reflects that Blueacorn did not simply accept completed applications from *any* applicant for its partner lenders to approve or deny. Rather, Blueacorn employed a series of fraud prevention practices and technologies throughout its entire adaptive application process that could for various reasons prevent an application from being submitted, could lead to its denial after it was submitted, and, indeed, could even lead to a late-stage denial by the lender due to irregularities discovered after the Small Business Administration ("SBA") had already approved the loan. In order to provide the Subcommittee staff with a full picture of Blueacorn's fraud detection and prevention mechanisms, we have broken out the data into the following categories (which correspond to the column headings):

- **Column A – "Time_Period":** This column identifies the week in question (specifically, the first day of the week).
- **Column B – "Applications – Post Eligibility Questionnaire":** This column reports the number of applicants who completed Blueacorn's eligibility questionnaire and started an application. The eligibility questionnaire contained two components. The first component required applicants to provide contact information and a valid email address to confirm their identities. Applicants were required to verify their phone number through a multi-factor process proving that they were an individual human applicant, permitting them to continue preparing an application. The second component required applicants to respond to a series of questions to determine whether they would be eligible to apply for a PPP loan. These questions included (1) whether the applicant was in business before February 15, 2020; (2) whether the applicant received a PPP loan in the previous year; (3) what the applicant's income was in 2019; and (4) what the applicant's income was in 2020. The use of this questionnaire ensured that automated and/or robotic submissions were effectively eliminated.
- **Column C – "Applications – In Adaptive Application Process":** This column reports the number of applicants who passed Blueacorn's initial eligibility questionnaire as described above. Applicants who reached this stage have to then complete a series of twelve steps before finalizing their applications. For instance, applicants were asked to provide banking and income information to substantiate their loan applications, including links to bank accounts, bank statements, ACH

account and routing information, and draft or finalized IRS Schedule C forms. Applicants were also asked to take a picture of their photo ID, complete a biometric scan of their faces, and answer questions based on their background and credit history using “Out of Wallet” or “Knowledge Based” questions. Applicants who could not, or would not, submit the required documentation were not permitted to submit an application.

- **Column D – “Applications - Completed”:** This column reports the number of applications that were formally submitted by potential borrowers who have successfully completed the twelve-step process described above. Upon completion, additional automated checks, as well as a dedicated human review, were conducted to validate the details provided by the applicants. Applications were then approved, denied, or sent back for additional documents or details—as evidenced in the following three columns.
- **Column E – “Denied - Pre SBA”:** This column reports the number of completed applications that were denied before the application was submitted to the SBA.
- **Column F – “Denied - Post SBA”:** This column reports the number of completed applications that were denied due to issues that arose *after* receiving SBA approval but before the loan was issued. For instance, Blueacorn utilized data analytics to identify any suspicious trends in applications (*e.g.*, applications listing identical IRS Schedule C details), and any such applications were subject to enhanced due diligence (“EDD”) and denied even after SBA approval if applicants failed to supply sufficient information in response to EDD requests for information. Blueacorn also maintained an offensive cyber security team that monitored online web forums discussing how to fraudulently obtain PPP loans, and applications exhibiting these criteria would be subject to EDD or denied. Blueacorn would also deny or apply EDD to applications returned or flagged as suspicious by the applicant’s bank. Finally, this column includes a small number of individuals who chose not to continue with the process by failing to sign their official DocuSign promissory note.
- **Column G – “Approved”:** This column reports the number of applications that were approved for funding by Blueacorn, and sent to the lenders for final approval and funding. It equals the difference between the number of completed applications (Column D) and the number of applications rejected at the pre- and post-SBA stage (Columns E and F).

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Outside of the numbers provided in the attached spreadsheet, which reports the overwhelming majority of the applications that Blueacorn processed, Blueacorn notes that it also facilitated and ultimately approved approximately 86,000 loans in connection with an agreement it had with Womply, Inc. These applications did not come in through the website or follow the same process, so they require a different method of reporting than the one used in this spreadsheet. Blueacorn will provide additional information on those loans at a later date.

Some information provided in connection with this response is business-sensitive and, if released, would cause injury to Blueacorn. We have marked this letter and the enclosed materials “Confidential” and request that they not be disclosed beyond the Subcommittee or made public. If public release is contemplated, we request the opportunity to be heard before the proposed use.

Please feel free to have your staff contact us with any questions concerning this response.

A handwritten signature in blue ink, appearing to read "Michael Borden".

Michael E. Borden

Michael A. Levy

Enclosure

cc: Hon. Steve Scalise, Ranking Member

Confidential Treatment Requested

Blueacorn: Response to House Subcommittee Information Request Nos. 2 & 3						
TIME_PERIOD	Applications - Post Eligibility Questionnaire	Applications - In Adaptive Application Process	Applications - Completed	Denied - Pre SBA	Denied - Post SBA	Approved
2021-01-04	14	14	14	1	0	13
2021-01-11	237	237	237	58	8	171
2021-01-18	214	214	214	64	6	144
2021-01-25	280	280	270	75	14	181
2021-02-01	252	252	246	92	17	137
2021-02-08	230	227	218	89	2	127
2021-02-15	372	324	266	104	9	153
2021-02-22	5,393	4,075	2,313	970	66	1,277
2021-03-01	48,433	35,342	17,432	7,536	453	9,443
2021-03-08	45,240	36,662	24,983	10,008	1,283	13,692
2021-03-15	112,687	94,307	70,468	29,399	2,905	38,164
2021-03-22	227,293	201,586	161,461	75,643	14,944	70,874
2021-03-29	455,038	377,961	271,678	130,988	37,642	103,048
2021-04-05	580,331	474,507	319,033	164,586	41,521	112,926
2021-04-12	445,212	346,385	197,260	91,098	15,487	90,675
2021-04-19	547,386	371,849	158,814	69,622	8,628	80,564
2021-04-26	645,359	424,067	157,899	69,295	6,796	81,808
2021-05-03	663,439	446,241	150,427	73,414	5,233	71,780
2021-05-10	177,173	145,475	77,719	44,228	1,955	31,536
2021-05-17	140,883	120,652	71,809	44,720	1,546	25,543
2021-05-24	48,565	41,151	20,581	13,144	411	7,026



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January 12, 2022

CONFIDENTIAL

VIA EMAIL

The Honorable James E. Clyburn
Chairman
Select Subcommittee on the Coronavirus Crisis
2157 Rayburn House Office Building
Washington, DC 20515

Re: Production in Response to Subcommittee Request Letter

Dear Chairman Clyburn:

We are writing on behalf of Blueacorn PPP, LLC (“Blueacorn”) in response to your November 22, 2021 letter asking for information regarding Blueacorn’s Paycheck Protection Program (“PPP”) loan processing activities.

In accordance with the agreement between Blueacorn and Subcommittee staff that Blueacorn should provide its responses on a rolling basis, we are submitting Blueacorn’s responses to Information Request Nos. 8, 9, and 10.

Request No. 8

Please provide a detailed description of Blueacorn’s relationship with any non-bank or bank partners involved in PPP loans, including the name of each entity and any revenue sharing or liability sharing agreements.

Response to Request No. 8

As this Subcommittee recently concluded in a written report, contrary to Congress’s clear intent in establishing the PPP in the CARES Act, the initial rounds of the program saw the majority of PPP funds distributed to larger businesses via traditional banks. Small businesses in traditionally underserved markets, including those that were minority- and women-owned, were not able to access the program in the same meaningful way because private lenders, who were responsible for collecting borrower applications and processing loans, primarily worked with

their existing customer base. As a result, many of those who were truly in need of financial support during the COVID economic crisis faced longer wait times and greater obstacles to obtaining the funds, thus creating a gap between the population the program was intended to serve and the population the program actually reached. Among other deficiencies, as the New York Federal Reserve Bank eventually found, the “racial disparities in access” to PPP funds were so significant that the program reached “only 20% of eligible firms in states with the highest densities of Black-owned firms.”

In late 2020 and early 2021, aware of the PPP’s prior failings and in anticipation of an expected second round of PPP funding, Blueacorn partnered with SBA-approved community lender Capital Plus Financial LLC (“Capital Plus”) to help fill that gap. Their joint mission was to streamline the complicated PPP application process to help qualified applicants—primarily sole proprietorships, independent contractors, and self-employed individuals that had previously been ignored by lenders—gain access to the PPP loan funding they needed and deserved. In April 2021, Blueacorn partnered with another SBA-approved community lender—Prestamos CDFI, LLC (“Prestamos”), a division of the non-profit Chicanos Por La Causa—for the same purpose. In total, Blueacorn and its two lending partners helped more than 700,000 sole proprietorships and small businesses obtain loans, approximately 80% of which are minority owned.

Blueacorn served as a lender service provider (“LSP”) to Capital Plus and Prestamos pursuant to lender service provider agreements with each entity (respectively, the “Capital Plus LSPA” and “Prestamos LSPA”).¹ In its role as an LSP for the lenders, Blueacorn operated a web portal through which small businesses, independent contractors, and the self-employed could easily determine their eligibility for a PPP loan, complete an application, and submit the required information and documentation. On behalf of the lenders, Blueacorn contracted with marketers to advertise the existence of the website to potential applicants; collected application information from those applicants; performed various fraud checks; engaged in customer service communications with applicants; and submitted completed applications for approval by the lenders. After the lenders and SBA approved the applications, Blueacorn assisted the lenders in securing execution of the necessary loan documents, issuing the loans, and processing forgiveness applications.

¹ Blueacorn entered into the Capital Plus LSPA through its wholly-owned subsidiary, Fin Cap, Inc. The original Capital Plus LSPA was executed in January 2021, with an effective date of October 23, 2020, and was updated in February 2021. Blueacorn entered into the Prestamos LSPA in April 2021 through its wholly-owned subsidiary, BA PPP Fin, LLC.

Blueacorn was compensated by the lenders in the following ways:

- Capital Plus – Blueacorn’s compensation from Capital Plus consisted of: (i) an initial 20% share of SBA fees received by Capital Plus for each loan (with 50% of this amount held back until the borrower applied for SBA forgiveness for the underlying loan), which compensated Blueacorn for the amount that Blueacorn paid marketers to advertise on the internet; and (ii) 41% of the remaining SBA fees (and 8% for two of Blueacorn’s initial founders, who had since exited), which, among other things, compensated Blueacorn for its various operating costs and expenses (including personnel costs for the application review process, expenses related to technological development, costs associated with the provision of customer support for borrowers, and other technology costs such as DocuSign).
- Prestamos – Blueacorn earned 70% of the SBA fees received by Prestamos for each loan, with 10% of Blueacorn’s share held back until the borrower either completed a forgiveness application or the loan matured. Although not broken out into a separate reimbursement item as it was in the Capital Plus LSPA, this arrangement similarly compensated Blueacorn for its expense of paying the entire cost associated with marketing on the internet, along with all of the other operating costs and expenses associated with Blueacorn’s various responsibilities.

Request No. 9

Please provide a detailed description of how Blueacorn recruited PPP loan applicants, including marketing strategies and advertising plans.

Response to Request No. 9

Blueacorn’s main marketing strategy was to employ paid third-party referral agents. These agents operated principally by purchasing online advertising from providers like Google and Facebook that directed potential PPP loan applicants to Blueacorn’s website. Applicants would click through third-party advertisements and be redirected to Blueacorn’s webpage.

In addition to Facebook and Google, these third-party referral agents purchased advertising through offline mediums. This included traditional mediums like radio spots, TV advertisements, and digital billboard ads. Similar to the online marketing, these advertisements directed potential applicants to Blueacorn's webpage to check their eligibility.

Blueacorn also attracted potential applicants directly. Potential applicants found their way to Blueacorn’s website through results on search engines like Google and Bing, online and personal word of mouth, and similar mechanisms that did not involve a referral.

A relatively small share of loans processed by Blueacorn were generated through the Blueacorn Enterprise Partner program. Under this program, Blueacorn contracted with entities that had an existing membership base of potentially eligible applicants—such as businesses with a large number of independent contractors that could benefit from the Paycheck Protection Program—to promote Blueacorn’s website.

Finally, Blueacorn processed approximately 86,000 loans pursuant to an agreement with Womply, Inc. (“Womply”) at a point when Womply’s portfolio of non-CDFI lenders no longer had the ability to make loans for borrowers already in processing. These loans were generated through Womply’s advertising and marketing efforts, and were reviewed and underwritten by Womply without any involvement from Blueacorn.

Request No. 10

Please provide a detailed description of any incentives or rewards that Blueacorn offered or provided to employees or contractors processing PPP loan applications, including non-monetary rewards.

Response to Request No. 10

Blueacorn almost exclusively relied on third-party companies and contractors to process loan applications, all of whom were compensated in one of two ways. Certain contractors received an hourly rate in the range of \$37-55 per hour. Others were compensated on a per-application basis in the range of \$2-8 per application. Per application processing fees were paid each time a processor reviewed an application regardless of whether the application was approved or denied. Processors were also paid an additional fee for secondary or tertiary reviews whenever more information was required from the borrower, and paid at the same rate. In addition to these fees, one third-party company received a goodwill bonus of approximately \$10,000, unrelated to any metrics like hours or applications reviewed, to be distributed to the contractors that it supplied.²

* * *

Some information provided in connection with this response is business-sensitive and, if released, would cause injury to Blueacorn. We have marked this letter and the enclosed materials

² Blueacorn also had one direct employee who assisted with processing PPP loan applications. He was salaried, and the bonus received was based on overall performance and not on the number of applications reviewed.

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“Confidential” and request that they not be disclosed beyond the Subcommittee or made public. If public release is contemplated, we request the opportunity to be heard before the proposed use.

Please feel free to have your staff contact us with any questions concerning this response.

A handwritten signature in blue ink, appearing to read "Michael Borden".

Michael E. Borden
Michael A. Levy

Enclosure

cc: Hon. Steve Scalise, Ranking Member



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February 4, 2022

CONFIDENTIAL

VIA EMAIL

The Honorable James E. Clyburn
Chairman
Select Subcommittee on the Coronavirus Crisis
2157 Rayburn House Office Building
Washington, DC 20515

Re: Production in Response to Subcommittee Request Letter

Dear Chairman Clyburn:

We are writing on behalf of Blueacorn PPP, LLC (“Blueacorn”) in response to your November 22, 2021 letter asking for information regarding Blueacorn’s Paycheck Protection Program (“PPP”) loan processing activities.

In accordance with the agreement between Blueacorn and Subcommittee staff that Blueacorn should provide its responses on a rolling basis, and in response to certain supplemental requests that the Subcommittee staff conveyed by email on January 18, we are submitting Blueacorn’s responses to Information Request Nos. 1 and 12, as well as supplemental responses to Request Nos. 8 and 10. As discussed with the staff during a recent video conference, certain of the original and supplemental requests that the staff has identified as priorities will take longer to respond to than others, so we will continue to provide information on a rolling basis in order to avoid unnecessarily delaying production of information that is currently available to be produced.

Request No. 1

How much is Blueacorn’s total revenue from facilitating PPP loans to date?

Response to Request No. 1

Congress put in place a fee structure that generated approximately \$1,840,750,000 in SBA fees for lenders on nearly \$12 billion in PPP loans that Blueacorn helped facilitate for

approximately 750,000 small businesses. Of that approximately \$1.84 billion in lender fees, Blueacorn has received approximately \$1.03 billion; but Blueacorn has itself spent in excess of \$700 million dollars on the operational expenses associated with the services it provided to the lenders, including payment for marketing and referral services, eligibility verification services, customer service support, fraud prevention, and technology development and infrastructure costs.¹

Response to Staff's Follow-Up to Request No. 8 Regarding Third-Party Relationships

In the Subcommittee staff's email dated January 18, the staff asked Blueacorn to provide detailed descriptions of each of Blueacorn's partnerships with respect to PPP loans, including all third-party contractors, third-party marketing or referral agents, and Womply.

During the call that we arranged with the staff on January 19 to better understand the staff's request, we explained that Blueacorn had dozens of third-party contractors and vendors, and that providing detailed descriptions of all of those relationships was feasible, but would require substantial effort even though many of the relationships were unlikely to be of interest to the Subcommittee. As an alternative, we proposed providing the staff with a chart of all of Blueacorn's major third-party relationships, which the staff could then review to determine whether it wanted more information about certain vendors. That chart is below. We also agreed to supplement our earlier descriptions of the relationships between Blueacorn and its two lending partners by providing the relevant contracts between those parties. We did so on January 20. Finally, we agreed to supply a detailed description of Blueacorn's relationship with two particular non-lenders— Womply and PayNerd—and to produce the corresponding contracts. Those descriptions are below, and the contracts are being produced to the Subcommittee today.

Chart of Major Third Party Relationships

The following is a chart of major third-party relationships in the major categories of Blueacorn's PPP-loan-processing activities. For instance, while not all marketing partners are listed, the ones included in the chart comprise the set of marketers involved in the overwhelming majority of applications that were approved and funded through Blueacorn. Although there were relationships with a variety of other marketers, they accounted even in combination for only a very small and, in context, immaterial number of the loans that Blueacorn processed.

¹ Blueacorn has filed a lawsuit in Delaware seeking to recover at least \$175 million in payments it made to its principal provider of marketing services.

Category	Entity
Marketing	<ol style="list-style-type: none"> 1. Paynerd/Paynerdier 2. OpenForce 3. VIPP 4. Elev8 5. MooveGuru
Third-party loan application processors	<ol style="list-style-type: none"> 1. TEK Systems 2. HireRising 3. Evergreen
Compliance Consultants	<ol style="list-style-type: none"> 1. Everett Advisors 2. Elev8
ID verification	<ol style="list-style-type: none"> 1. Onfido 2. Giact 3. Plaid 4. IDology
Prepaid Card Issuance	<ol style="list-style-type: none"> 1. InPaid
Technology Consultants	<ol style="list-style-type: none"> 1. Draco Solutions 2. AVM Consulting 3. Synapse Studios 4. Snaptech
Customer Support	<ol style="list-style-type: none"> 1. Extend Your Team 2. Visionary Solutions 3. TEK Systems 4. Paynerd

Womply

In May 2021, near the end of the PPP, Blueacorn entered into a pair of contracts with Womply, Inc. (“Womply”): (1) a “Womply Developer Order Form” and (2) a “PPP Loan Referral Agreement.” The contracts are being produced with this letter, and bear production Bates numbers BA-SSCC-0000056 – BA-SSCC-0000069. Under these contracts, Womply agreed to process, review, and refer PPP loan applications to Blueacorn that Blueacorn could submit to its lenders for a loan funding decision. The purpose of the arrangement was to help qualified Womply small-business applicants obtain needed PPP loans at a time when the general PPP funds that were available to Womply’s own lending partners had been exhausted, but funds designated specifically for community development financial institutions (CDFIs)—Blueacorn’s

lending partners—remained available. Womply referred more than 200,000 applications to Blueacorn. After Blueacorn applied its own evaluation criteria and fraud checks to those proposed Womply loan applications, Blueacorn submitted approximately 86,000 of Womply’s applications to its lending partner Capital Plus Financial, LLC (“Capital Plus”) for funding, and approximately that number of loans received approval by Capital Plus and the SBA and were funded. The contracts entitle Womply to a share of any fees that Blueacorn receives from Capital Plus on those funded loans, after Blueacorn receives those fees. To date, Capital Plus has not paid Blueacorn any fees for the Womply-referred loans.

PayNerd

As noted in Blueacorn’s initial response to Information Request No. 9, Blueacorn’s primary marketing strategy was to employ third-party referral agents. PayNerd served as Blueacorn’s main, but non-exclusive, referral agent. PayNerd performed this function principally by placing paid online advertising with providers like Google and Facebook that directed potential applicants to Blueacorn’s website. PayNerd spent considerable sums on advertising, and, in return, shared in a percentage of Blueacorn’s SBA lender processing fees on funded loans. Blueacorn’s relationship with PayNerd—including the formulas for calculating PayNerd’s fee—was originally governed by a Memorandum of Understanding (“MOU”) dated February 6, 2021, and subsequently by two contracts. The first contract was entered into on February 25, 2021, at a time when Blueacorn’s only lending partner was Capital Plus. The second contract was entered into on April 1, 2021, in part to extend Blueacorn and PayNerd’s existing arrangement in light of Blueacorn’s entry into a service relationship with a second lender, Prestamos. The MOU and the two contracts are being produced with this letter, and bear production Bates numbers BA-SSCC-0000070 – BA-SSCC-0000088.

Response to Staff’s Follow-Up to Request No. 8 Regarding Two Blueacorn Co-Founders

In the Subcommittee staff’s email dated January 18, the staff asked Blueacorn to provide additional information related to the two co-founders described in Blueacorn’s initial response to Request No. 8, including (a) details of timing and circumstances of their departure; (b) a description of their previous roles in the operation or management of the company; and (c) a description of any ongoing formal and informal connections they have to the company. The staff also asked for information related to compensation and payments paid to these two co-founders, and any compensation still owed or claimed to be owed to them.

The two co-founders referenced in Blueacorn’s January 12, 2021 response to Information Request No. 8 are [REDACTED] ([REDACTED]) and [REDACTED] ([REDACTED]).

[REDACTED] and [REDACTED] left Blueacorn in April 2021. [REDACTED] served as the President of Blueacorn from January 2021 until his departure in April, and [REDACTED] did not have any active role in the day-

to-day operations of Blueacorn. [REDACTED] and [REDACTED] exited Blueacorn in April as part of the company's transition to a new senior management team that included non-founding professionals, such as Barry Calhoun as CEO and [REDACTED] as COO. [REDACTED] and [REDACTED] do not have any ongoing formal or informal connections to Blueacorn, beyond those contained in the agreement by which they exited the company (which was produced to the Subcommittee on January 20). Blueacorn is currently preparing a response to the Subcommittee's questions regarding compensation to [REDACTED], [REDACTED], and others, and will provide that response in a subsequent letter.

Response to Staff's Follow-Up to Request No. 10 Regarding Incentives

In the Subcommittee staff's email dated January 18, the staff asked Blueacorn to provide information related to incentives or rewards that Blueacorn provided to its "direct employees" who were involved in processing PPP loan applications. On the call with the staff on January 19, the staff further clarified that it was seeking information for any individual who was involved in processing PPP loan applications, and not just those individuals who were involved in reviewing the loan applications. Blueacorn responds as follows.

In early 2021, during Blueacorn's initial ramp up period, the company paid bonuses to one employee and several contractors (one of whom later became an employee). The bonuses were not based on any metric related to PPP loan applications. Blueacorn provided this additional compensation only to thank the individuals for working longer hours than expected. None of these bonuses exceeded \$15,000. At around the same time, Blueacorn's Director of Operations departed the company, and received a \$100,000 compensation package as part of her departure.

Request No. 12

What was the total compensation of each member of Blueacorn's executive team in 2019, 2020, and 2021, broken down by constituent components?

Response to Request No. 12

In a conversation between Blueacorn's counsel and Subcommittee Staff, it was agreed that Blueacorn would submit a list of people who have made up its senior leadership over time,

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including founders and “c-suite”-level employees, so that the Staff can identify who it considers to be the “executive team” for purposes of this request. Below is that list:

Name	Position/Former Position	Start Date	Departure Date
Barry Calhoun	Chief Executive Officer	Mar. 2021	N/A
[REDACTED]	Co-Founder and Chief Technology Officer	Jan. 2021	N/A
[REDACTED]	Chief Operating Officer	Mar. 2021	N/A
[REDACTED]	Outside General Counsel (Partner, Radix Law)	Mar. 2021	N/A
Nate Reis	Co-Founder and former Chief Executive Officer	Jan. 2021	Apr. 2021 (operational role ended); Oct. 2021 (ownership interest ended)
Stephanie Reis	Co-Founder and former Customer Service Lead	Jan. 2021	Apr. 2021 (operational role ended); Oct. 2021 (ownership interest ended)
[REDACTED]	Co-Founder and former President	Jan. 2021	Apr. 2021
[REDACTED]	Co-Founder	Jan. 2021	Apr. 2021

* * *

Some information provided in connection with this response is business-sensitive and, if released, would cause injury to Blueacorn. We have marked this letter and the enclosed materials “Confidential” and request that they not be disclosed beyond the Subcommittee or made public. If public release is contemplated, we request the opportunity to be heard before the proposed use.

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Please feel free to have your staff contact us with any questions concerning this response.

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Michael E. Borden
Michael A. Levy

Enclosure

cc: Hon. Steve Scalise, Ranking Member



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March 25, 2022

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In accordance with the agreement between Blueacorn and Subcommittee staff that Blueacorn should provide its responses on a rolling basis, and in response to certain supplemental requests that the Subcommittee staff conveyed by email on February 16, we are submitting Blueacorn’s responses to the Subcommittee staff’s supplemental requests related to Blueacorn’s relationship with Womply and Blueacorn’s relationships with marketing partners, third-application processors, compliance consultants, and technology consultants. As previously discussed with the staff, certain of the original and supplemental requests that the staff has identified as priorities will take longer to respond to than others, so we will continue to provide information on a rolling basis in order to avoid unnecessarily delaying production of information that is currently available to be produced.

Response to Staff’s Supplemental Request Regarding Blueacorn’s Relationship with Womply

In the Subcommittee staff’s email dated February 16, the staff asked Blueacorn to provide details on the evaluations and fraud checks conducted by Blueacorn on PPP loans referred by Womply, a summary of the analysis that Womply conducted on these loans prior to the referral, and the reasons that over one hundred thousand loan referrals were discounted. The

staff also asked that Blueacorn outline the amount it believes it is owed by Womply for this work.

While Blueacorn did not have first-hand visibility into the review process that Womply performed, Womply committed in its PPP Loan Referral Agreement with Blueacorn to satisfy a series of conditions “prior to Womply sending an application to Blueacorn.” Those conditions included, among a variety of other things, performing a KYC check and verifying bank activity. Three pages of details about Womply’s review process are set out at Exhibit A to the PPP Loan Referral Agreement, entitled, “Application Review Process,” which was previously provided to the Subcommittee.

Upon receipt of the Womply-referred applications, Blueacorn performed additional review. First, Blueacorn compared applicants’ reported income to the average income reported by the U.S. Bureau of Labor Statistics for businesses within the same North American Industry Classification System (“NAICS”) category. Any applicant who reported income above 130-150% of the 90th percentile of income for their NAICS classification was not forwarded to Blueacorn’s lending partner for consideration. In addition, Blueacorn used the applicant’s tax ID to confirm that the individual had not previously been denied a PPP loan by Blueacorn. Blueacorn also ran the applicant’s email address, phone number, and the gross and net income as reported in their IRS Schedule C documentation across its database of applications, and flagged for further investigation any Womply-referred application that contained overlapping information.

The checks detailed above account for the vast majority of Womply-referred loans that Blueacorn determined not to forward to its lending partner for consideration. Another 30,000 to 40,000 applications were not forwarded because the PPP ended before the applications could be fully processed. Finally, some number of applications were forwarded for consideration by Blueacorn’s lending partner, and then were submitted to the SBA and approved, but were not ultimately completed for a variety of reasons, including the borrower’s bank returning the funds, or the applicant opting not to sign their PPP promissory note.

Under the terms of Blueacorn’s agreement with Womply, Womply was to receive payment from Blueacorn upon Blueacorn’s receipt of payment from Blueacorn’s lending partner. Accordingly, Womply does not owe Blueacorn any payment under the agreement.

Response to Staff’s Supplemental Request Regarding Blueacorn’s Relationship with Third-Parties

In the Subcommittee staff’s email dated February 16, the staff asked Blueacorn to provide descriptions of the relationships between Blueacorn and all marketing partners, third-party loan application processors, compliance consultants, and technology consultants. This was in response to a chart provided in our letter on February 4, 2022, that contained information for

the major third-party partners and vendors. We are providing additional information about those partners and vendors below.

Blueacorn contracted with five major marketing partners: PayNerd/PayNerdier, OpenForce, VIPP, Elev8, and MooveGuru. As noted in Blueacorn's initial response to Information Request No. 9, Blueacorn's primary marketing strategy involved engaging third-party referral agents. These partners would perform their function as a referral agent by placing paid online advertising with providers like Facebook and Google that directed potential applicants to a website containing an eligibility screening quiz and, if the applicant appeared likely to qualify for a PPP loan, redirected the applicant to Blueacorn's website to begin preparing an application. In addition to Facebook and Google, Blueacorn's third-party referral agents also used offline mediums including radio, television, and digital billboard advertisements to direct potential applicants to the eligibility screening quiz. Pursuant to the terms of their various contracts, these partners shared a percentage of Blueacorn's revenue on funded loans.

Blueacorn contracted with three third-party staffing companies to supply contractors to perform eligibility verification on loan applications. Those partners included TEK Systems, HireRising, and Evergreen—all of whom provided temporary contractors to review loan applications.

Blueacorn also contracted with two compliance consultants—Everett Advisors and Elev8—to advise the company on compliance with relevant laws and regulations related to the PPP, and to assist with responding to subpoenas and other requests for records.

Finally, Blueacorn contracted with four technology consultants—Draco Solutions, AVM Consulting, Synapse Studios, and Snaptech. These companies provided technology contractors, such as server managers and software engineers, to help build and operate the technology platform that Blueacorn used to compile, review, and track PPP loan applications.

* * *

Some information provided in connection with this response is business-sensitive and, if released, would cause injury to Blueacorn. We have marked this letter and the enclosed materials "Confidential" and request that they not be disclosed beyond the Subcommittee or made public. If public release is contemplated, we request the opportunity to be heard before the proposed use.

SIDLEY

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Please feel free to have your staff contact us with any questions concerning this response.



Michael E. Borden

Michael A. Levy

Enclosure

cc: Hon. Steve Scalise, Ranking Member



MEMORANDUM

TO: [REDACTED]

FROM: DLA Piper, LLP (US)

DATE: April 5, 2022

RE: Follow Up Information

Thank you for initiating last week's discussion between the Select Subcommittee and our client, Prestamos CDFI. We appreciated the Subcommittee's offer to allow us to open the discussion with a prepared statement designed to address the Subcommittee's questions. We realize our statement went longer than you anticipated and we look forward to answering additional questions. We hope the information we are providing below, in addition to the answers Prestamos CDFI provided during last week's call, will help provide background for your next round of questions.

A. Information Regarding Chicanos Por La Causa ("CPLC") and Prestamos CDFI

The opening statement presented in last week's call addressed most of your questions about the structure, mission, and employee base within CPLC and Prestamos CDFI. We would be pleased to provide a further written description if you would find that helpful.

Our purpose here is to provide additional information with respect to your questions designed to help the Select Subcommittee in its mission to examine the efficiency, effectiveness, equity, and transparency of the use of taxpayer funds and relief programs to address the coronavirus crisis, including particular focus on Prestamos CDFI's efforts to identify and mitigate fraud, both acting alone and with Blueacorn, in the PPP.

B. Prestamos CDFI's Focus in Rounds 1 and 2

1. Participation in SBA PPP

- **SBA Enlistment.** Since 1992 Prestamos CDFI has been an SBA microloan lender and, since 2017, an SBA 7(a) lender under the SBA's Community Advantage Pilot Program. Prestamos CDFI has a particular focus on sole proprietor small businesses in underserved communities. When Congress enacted the CARES Act on March 27, 2020, recognizing Prestamos CDFI's experience as an SBA lender and a CDFI, the SBA's regional Arizona office approached Prestamos CDFI to participate in the PPP.
- **PPP Lending Agreements.** On April 1, 2020, Prestamos CDFI and the SBA executed an updated Community Advantage Pilot Program Loan Guarantee Agreement ("Section 7(a) Lender Agreement"). In April 2020, Prestamos CDFI began making PPP loans. On May 9, 2020, the SBA notified Prestamos CDFI that SBA had approved its application to serve as a PPP lender under a Lender Agreement for Non-Bank and Non-Insured Depository Institution Lenders ("SBA Form 3507").

- **Objectives.** From the outset and continuously throughout the PPP, Prestamos CDFI committed to two objectives: (a) to maximize the availability of PPP lending to sole proprietors and similar endangered small businesses in underserved communities; and, (b) as an SBA lender, to ensure program integrity.
- **Two Areas of Focus.** Last week’s call discussed Prestamos CDFI’s PPP lending in two categories: (a) Prestamos CDFI’s direct lending between April 2020 and May 28, 2021 (“pre-Blueacorn”); and, (b) Prestamos CDFI’s lending with Blueacorn post-April 14, 2021 (“post-Blueacorn”).

2. Pre-Blueacorn Lending Practices

- **Rounds 1 and 2.** By August 8, 2020, when Round 2 ended, the program had distributed \$523 billion in forgivable loans to more than 5 million borrowers, averaging over \$100,000 per loan. During Rounds 1 and 2 Prestamos CDFI experienced obstacles similar to those described in the Select Subcommittee’s report in October 2020.¹ During 2020 Prestamos CDFI made 925 PPP loans through the SPARK Platform, providing \$26 million to borrowers and supporting the retention of 4,000 jobs in Prestamos CDFI’s service territory. The average PPP loan amount was \$28,100.

Prestamos CDFI provided direct PPP loans during these rounds using its pre-existing SBA lending platform – the “SPARK Platform.” The SPARK Platform consists of proprietary SBA loan processing software developed by a longtime nonprofit SBA lender. It provides an online portal for accepting and processing PPP applications, and Prestamos CDFI added a dedicated customer assistance phone bank. SPARK promotes its capabilities as follows: “SBA lenders and LSPs can process loans more efficiently, while staying compliant with the latest SBA SOP rules.”² Numerous community banks and CDFIs rely on the SPARK Platform to originate and service SBA loans.³

- **Governmental Effort to Enlist CDFIs.** During Round 2 the Treasury and Congress recognized sole proprietors and other small businesses with fewer than 4 employees (which comprise over 50% of US small businesses) had been denied access to PPP lending. Disproportionate harm was reported to African American-owned businesses and underbanked small businesses.

During Round 2, the Senate Small Business Committee supported a Treasury-SBA decision to allocate \$10 billion in PPP lending through CDFIs. On January 8, 2021, the SBA opened the Round 3 loan portal, with a funding window dedicated to promote PPP loan applications to CDFIs as a means of promoting PPP loan access for minority, underserved, veteran, and women-owned small businesses.

- **Efforts to Mitigate Fraudulent Applications.** Prestamos CDFI certified its compliance with Bank Secrecy Act (“BSA”) requirements in its SBA Form 3507. Throughout the PPP, Prestamos CDFI implemented strong customer identification and customer verification in compliance with the SBA’s regulations and guidance provided in FAQs.
- **Threshold Protections.** Before Prestamos CDFI became a PPP lender, it was not required to comply with the BSA. Prestamos CDFI required every borrower

¹

<https://coronavirus.house.gov/sites/democrats.coronavirus.house.gov/files/PPP%20Report%20Final%20%283%29.pdf>

² <https://lendwithspark.com/spark-loan-origination-platform/features-loan-origination-software/>

³ <https://lendwithspark.com/client-stories/>

applying through the SPARK Platform to have a verified bank or credit union account. The PPP regulations guided lenders not initially subject to BSA requirements to rely on the AML/CIP of a federally insured bank or credit union “with an established CIP as part of its AML program.” Prestamos CDFI adhered to this guidance for PPP loans processed through the SPARK Platform.

- **Additional Protections.** PPP regulations provided assurance that lenders could rely upon borrowers’ certified representations and documents in good faith. Prestamos CDFI nonetheless employed an additional internal review program throughout the PPP to detect fraudulent misrepresentation, conducting its own review of the applicant’s ID and, as applicable, crosschecking that applicants’ businesses remained in good standing (e.g., checking LLC registrations with secretaries of state).
- **Staffing.** The Prestamos CDFI SPARK team included: (i) intake specialists who processed the initial loan applications; (ii) second level reviewers who evaluated and confirmed information included in the loan application and supplemental verification information required by Prestamos CDFI (e.g., confirming LLC registration with secretaries of state offices, customer identification information, etc.); (iii) customer service call center representatives; and (iv) managers overseeing the process.

Prestamos CDFI increased, not decreased, its level of fraud detection as the program progressed. Prestamos CDFI relied upon a team that combined the efforts of approximately 18 full-time employees and independent contractors to manage the SPARK platform in 2020. The size of that group grew to 30 in 2021. Prestamos CDFI developed a detailed internal PPP Training Manual and conducted regular training sessions.

- **Relevant Information.** In addition to the application forms and files generated by the SPARK System, Prestamos CDFI developed detailed procedures and checklists based on the PPP Interim Final Rule and FAQs provided by the SBA to verify customer identification information (e.g., drivers licenses), crosscheck backup documents provided by loan applicants (e.g., LLC registrations, tax forms), and banking information provided by loan applicants (e.g., applicant bank and credit union routing and account numbers; voided checks).

As detailed in its PPP Training Manual, Prestamos CDFI’s required customer risk and fraud detection policies and processes required additional reviews and verifications, including the following: applicants’ February 2020 bank statement, a corresponding voided check matching the applicant’s name, government issued photo ID, IRS payroll tax documents, legal business names; NAICS Code; wage confirmation; business name and article of incorporation (as appropriate); 1099 or invoice confirming self-employment (as appropriate); and confirmation of documentation supporting the loan amount.

- **Manual Reviews.** Each PPP application processed through the SPARK Platform was manually reviewed by a Prestamos CDFI employee against the second level reviewer checklist for accuracy and completeness. Any applications or backup material that raised questions of potential fraud, were subjected to further scrutiny. Applications presenting fraud concerns that could not be resolved were denied.
- **ACH Transfers to Verified Accounts.** Prestamos CDFI provided ACH authorizations to transfer funds to borrowers’ designated bank accounts. Prestamos CDFI did not transfer funds directly to borrowers. This was designed to assure that approved loans would only go to borrowers who were vetted according to BSA requirements by their depository banks.

Approved PPP loan applications were submitted to the SBA E-Tran portal through the SPARK Platform, and once approved by SBA, Prestamos CDFI authorized an ACH transfer to the borrower's verified bank or credit union account. Any PPP loan applications flagged by the SBA or later by a borrower's bank or credit union was subjected to further review and denied if the issue could not be resolved.

- **Results.** Prestamos CDFI received and processed approximately 7,505 PPP applications, and originated 3,145 PPP loans, using the SPARK Platform from April 2020 through May 28, 2021: 925 PPP loans in 2020 and approximately 2,100 in 2021 (averaging \$27,518 per loan).

From the start of the PPP program in April 2020 through 2021, 784 loan applications (approximately 10%) Prestamos CDFI processed through the SPARK Platform ultimately were denied for failing to meet Prestamos CDFI's underwriting criteria. Another 3,576 PPP applications (approximately 47%) initially submitted through the SPARK Platform were withdrawn at various points, including loans withdrawn after discovery of flags that suggested possible fraud or when applicants were unresponsive to requests for additional information or failed to upload requested backup documents to the SPARK Platform, or because applicants indicated that they obtained a PPP loan elsewhere. In total, approximately 57% of the PPP loans Prestamos CDFI processed between April 2020 and May 28, 2021 were either denied or withdrawn in the course of Prestamos CDFI's underwriting process.

3. Post-Blueacorn Lending Practices

- **Round 3 Concerns.** The Select Subcommittee and oversight agencies have identified a range of obstacles that prevented sole proprietors and other vulnerable small businesses from accessing the PPP in Rounds 1 and 2. Lenders reportedly avoided lending to unbanked and underbanked small business borrowers, disproportionately impacting minority-owned small businesses. Some lenders considered existing percentage-based SBA fees insufficient to justify the time and effort required to process PPP loan applications from low-income small businesses. Other rules disadvantaged the borrowers themselves.

To address these issues, Congress and responsible agencies adjusted fee structures for PPP loans in December 2020 and, in February 2021, the SBA changed the eligibility rules, allowing lenders to qualify sole proprietors for loans based on reported revenue rather than profit.

- **Reliance on CDFIs.** In addition to the foregoing rules changes, the SBA opened a Round 3 loan portal in January 2021 with a funding window dedicated to PPP loan applications to CDFIs as a means of promoting PPP loan access to underserved small business borrowers, including sole proprietors and small businesses with fewer than 4 employees.

By this time, it was obvious to Congress and the Administration that many vulnerable underserved small business borrowers had been left out of the program, and reports surfaced showing that delays in federal relief when underserved small businesses in low-income and minority neighborhoods most needed it, might result in irreversible small business failures and widen the racial wealth gap. To close the gap in lending availability, the government promoted efforts to ramp up CDFI lending to underserved small businesses on an unprecedented scale. In its FAQs, the SBA referenced financial technology solutions as a means to promote efficiency and "financial inclusion in implementing the PPP."

Prestamos CDFI recognized that the only available option for Prestamos CDFI and other CDFIs to reach the required scale would be to join forces with a responsible financial technology firm.

- **Blueacorn.** Prestamos CDFI chose to work with Blueacorn for several reasons. First, Prestamos CDFI was familiar with Blueacorn. Second, like Prestamos CDFI, Blueacorn was dedicated to lending to sole proprietors and other vulnerable underserved small businesses. Third, Blueacorn appeared to possess the capabilities required to lend to these underserved small businesses at scale. Fourth, Prestamos CDFI recognized it did not have the capability to underwrite loans at scale. But Blueacorn had developed its own capabilities, augmented by recognized Artificial Intelligence (“AI”) capabilities, and reliably could perform this vetting.
- **Blueacorn’s Artificial Intelligence Capability.** The Blueacorn Platform utilized an AI-driven Customer Identification Program (“CIP”) – the Onfido system – that facilitated customer identification and verification at the speed and scale necessary to evaluate the volume of applications generated by Blueacorn. (The Blueacorn Platform processed approximately 434,000 loans for Prestamos CDFI between April 14, 2021 and the end of Round 3 in June 2021). The integration of the Onfido CIP in the Blueacorn Platform was a major factor in Prestamos CDFI’s decision to engage Blueacorn as an LSP. Blueacorn also utilized the Plaid system to verify customer banking relationships.

Prestamos CDFI reviewed the Onfido system (and the Plaid system) and found that both had received authoritative validation and recognition.⁴ Prestamos CDFI recognized that in addition to these two systems, the Blueacorn Platform included additional layers of antifraud protections including multiple systems for confirming banking information, and manual reviews of documents submitted in support of PPP applications. Overall, Prestamos CDFI understood that Blueacorn’s customer verification and antifraud systems exceeded BSA requirements for non-regulated CDFIs.

- **Results.** Combining its capabilities with Blueacorn, Prestamos CDFI materially helped the US Government to accomplish its objectives in Round 3 and, in the process, provided a lifeline to several hundred thousand underserved small businesses. Absent the combination with Blueacorn, Prestamos CDFI could not have made this difference. Still, it would be a mistake to regard the results of Round 3 as a total success. As the Treasury Department has recognized since the program ended, Round 3 was at best a qualified success because so much damage had been done when vulnerable small businesses were left out of Rounds 1 and 2. The need for lending and other support for underserved small businesses continues in vulnerable communities. Prestamos CDFI and other CDFIs have not ceased to provide the needed support.

⁴ <https://onfido.com/resources/blog/onfido-wins-fraud-prevention-innovation-of-the-year-in-the-2021-cybersecurity-breakthrough-awards#:~:text=CyberSecurity%20Breakthrough%20Awards-,Onfido%20Wins%20%E2%80%9CFraud%20Prevention%20Innovation%20of%20the%20Year%E2%80%9D%20in.the%202021%20CyberSecurity%20Breakthrough%20Awards&text=Onfido%2C%20the%20global%20identity%20verification,its%20innovative%20fraud%20prevention%20technology.>



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April 25, 2022
VIA E-MAIL

CONFIDENTIAL

The Honorable James E. Clyburn
Chairman
Select Subcommittee on the Coronavirus Crisis
2157 Rayburn House Office Building
Washington, DC 20515-6143

Re: Response to U.S. House of Representatives Select Subcommittee on the
Coronavirus Crisis

Dear Chairman Clyburn,

We are writing on behalf of Prestamos CDFI in response to the Select Subcommittee's letter dated April 7, 2022, including requested documents and information. We are responding initially to the questions and document requests prioritized by Select Subcommittee counsel in follow up discussions on April 8, 2022. We will provide additional responsive information promptly, on a rolling basis, as discussed with Select Subcommittee counsel.

Background – The Select Subcommittee’s letter requests that Prestamos CDFI provide information regarding fraud and financial crime prevention controls Prestamos implemented in its facilitation of PPP loans in conjunction with financial technology (“FinTech”) companies.

The letter also expresses concern, based on an academic paper by University of Texas researchers (“UT Paper”), that “many of the loans issued by Prestamos may have been tied to fraudulent applications or ineligible companies.” A November 22, 2021 letter to Prestamos CDFI's lender services provider (“LSP”), Blueacorn, published on the Select Subcommittee's website, raised similar concerns based on the UT Paper’s contention that “nearly 50%” of PPP loans by Blueacorn's “partner financial institutions” had “indicators of fraud, including loans that were made to businesses that claimed they paid workers significantly more than their industry norm and loans made to businesses that lacked a state business registration.”

The Select Subcommittee's April 7 letter states that the purpose of the requested documents and information is “to gain a full understanding of Prestamos' PPP lending as the Select Subcommittee examines the facilitation of PPP loans by FinTech companies and their partners.”

Responses to Select Subcommittee’s Questions and Information Requests – We appreciate the Select Subcommittee’s interest in gaining a full understanding of Prestamos CDFI’s PPP lending. We previously provided information: (1) describing Prestamos CDFI and its role in providing critically needed PPP lending in Round 3 which provided vital financial relief to several hundred thousand minority-owned small businesses excluded during Rounds 1 and 2; and (2) Prestamos CDFI’s diligence in



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complying with the regulatory requirements imposed on lenders by Congress and the SBA throughout the PPP.

As an experienced SBA lender to underserved minority-owned businesses, Prestamos CDFI never accepted the premise that the priority of the PPP was to get loans to unprecedented numbers of endangered small businesses, even at the expense of responsible loan underwriting. That premise presents a false choice. From the PPP's inception in April 2020 through Round 3, Prestamos sought in good faith to underwrite loans conscientiously in compliance with the SBA's regulations and formal guidance. The responses provided in this letter illustrate how Prestamos CDFI worked to provide needed PPP loans to underserved sole proprietors, independent contractors, and self-employed small business borrowers **and** to protect the program's integrity.

The responses provided below begin with a response to Select Subcommittee questions: first addressing Prestamos CDFI's direct lending (which began in April 2020, before Prestamos CDFI executed a lender service provider agreement ("LSPA") with Blueacorn on April 14, 2021, and continued through May 2021), followed by questions addressing Prestamos CDFI's lending related to applications processed by its LSP, Blueacorn, during Round 3 (April-May 2021). Specifically, the responses are organized as follows:

- A. **Direct Lending Policies and Procedures.** Prestamos CDFI's policies and procedures for PPP applications received directly from loan applicants from April 2020 through May 2021 (response to Select Subcommittee Information Request Question 5), including measures to identify, prevent, and mitigate potential fraud.
- B. **LSP Lending Policies and Procedures.** Policies and procedures governing PPP loan applications Prestamos CDFI received from lender services providers (response to Select Subcommittee Information Request Question 4), including measures to identify, prevent, and mitigate potential fraud (response to Select Subcommittee Information Request Question 3).
- C. **Prioritized Letter Requests.** We have prioritized documents and materials responsive to priorities requested by the Select Subcommittee (Information Request Questions 1- 6 and Document Requests 3, 7, and 9). In addition, Prestamos CDFI is conducting a thorough review of its electronic communications and other records. We will provide additional information and materials responsive to the Select Subcommittee's letter on a rolling basis as they become available.

- D. A large black rectangular redaction box covering the text of item D.



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A. Prestamos CDFI Policies and Procedures Governing PPP Loan Applications Received Directly from Loan Applicants

Information Request Question 5 – Applications Prestamos CDFI Received Directly from Loan

Applicants – From April 2020 through May 28, 2021, Prestamos CDFI directly received and processed approximately 7,503 PPP applications using the SPARK Platform (as previously discussed with Select Subcommittee counsel and detailed in our memorandum to the Select Subcommittee dated April 5, 2022). From the total applications received, Prestamos CDFI approved and funded 3,145 PPP loans, including 925 PPP loans in 2020 and approximately 2,220 in 2022 (averaging \$27,518 per loan).

- a. **Every loan application directly received by Prestamos CDFI was manually reviewed.** At the outset of the PPP in April 2020, Prestamos CDFI relied on an internal team that combined the efforts of approximately 18 full-time employees and independent contractors to manage and process applications via the SPARK Platform. The size of that group grew to 30 in 2021. Over the lifecycle of the PPP, over 80 Prestamos CDFI full-time employees and independent contractors worked on the application processing and review team. The team included: (1) intake specialists who processed the initial loan applications; (2) second level reviewers who evaluated and confirmed information included in the loan application and supplemental verification information required by Prestamos CDFI (e.g., confirming LLC registration with secretaries of state offices, customer identification information, etc.); (3) customer service call center representatives (over 20 in total); and (4) managers overseeing the process. A list of the Prestamos CDFI SPARK Platform PPP review team and each individual's role is provided in response to Subcommittee Information Request Question 1, below.
- b. **Number of loan applications processed through the SPARK Platform that were denied.** Based on the most recent reviews, from the start of the PPP program in April 2020 through 2021, approximately 782 loan applications (approximately 10%) Prestamos processed through the SPARK Platform were declined for failing to meet Prestamos' underwriting criteria. Of those, approximately 227 applications were declined due to questionable supporting documentation. Another approximately 3,575 PPP loan applications (approximately 47%) initially submitted through the SPARK Platform were deemed withdrawn at various points, including loans withdrawn after Prestamos CDFI reviewers flagged questionable documents submitted in support of an application (approximately 71 applications), when applicants were unresponsive to requests for additional information or failed to upload requested back up documents to the SPARK Platform (approximately 2,200 applications), or because applicants indicated they had obtained a PPP loan elsewhere (approximately 241 applications). In total, about 57% of the PPP loans Prestamos processed directly between April 2020 and May 28, 2021, were either denied or withdrawn in the course of Prestamos' underwriting and identification, prevention, and mitigation of potential fraud.
- c. **Number of PPP loans directly processed by Prestamos CDFI rejected or denied by the SBA.** The SBA would not specifically "reject" applications that were submitted by Prestamos CDFI to the SBA for PPP loan approval. Rather, if there was an issue with a specific application, the SBA portal would provide a "code" indicating a deficiency in the application of some sort or another.



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Any application for which a code was returned would be reviewed by the Prestamos CDFI internal application review team. If the issue could be resolved, the application was resubmitted. When there was an issue with a loan application Prestamos CDFI submitted to the SBA that could not be resolved, Prestamos CDFI would deny the application. Prestamos CDFI does not have information about the number of “codes” received for applications submitted for SBA approval in the manner requested by the Subcommittee, but Prestamos CDFI will determine whether there is a way to provide that information and submit it on a rolling basis, as it becomes available.

B. Policies and Procedures Governing PPP Loan Applications Received From Lender Services Provider, Including Anti-Fraud Measures

Information Request Question 4 – Applications Received from Loan Services Providers (LSPs) –

Prestamos CDFI processed approximately 434,000 PPP loans originated through the Blueacorn platform.

By the time the SBA opened Round 3 of the PPP in December 2021, it had become obvious to Congress and the SBA that the PPP was in danger of leaving many thousands of underserved minority-owned small businesses behind. To help address the problem, Congress and the SBA established a loan funding window dedicated to PPP loan applications processed by CDFIs – one of many federal efforts to equip CDFIs to help the SBA reach underserved small businesses during Round 3. To prevent irreversible harm to the small business borrowers left behind, the SBA encouraged CDFIs to strive to reach these borrowers on an unprecedented scale before Round 3 closed.

To help expand PPP lending in Round 3 to a serve sole proprietors, independent contractors, and self-employed small businesses in the manner Congress and the SBA sought, Prestamos CDFI was approached by and ultimately engaged Blueacorn as an LSP on April 14, 2021. The SBA, congressional leaders, and private sector analysts had highlighted FinTechs’ ability to increase access to the PPP for small businesses in underserved communities that did not have access to the PPP in Rounds 1 and 2.

Prestamos CDFI chose to work with Blueacorn for several reasons. First, Prestamos CDFI was familiar with Blueacorn. Second, like Prestamos CDFI, Blueacorn was dedicated to lending to sole proprietors and other vulnerable underserved small businesses. Third, Blueacorn appeared to possess the capabilities required to lend to these underserved small businesses at scale. Fourth, Prestamos CDFI recognized it did not have the capability to process PPP applications at scale, but Blueacorn’s PPP platform could, by integrating multiple layers of well-established fraud detection and prevention tools and artificial intelligence (“AI”) capabilities, as detailed in Blueacorn’s marketing materials, policies, and procedures (provided in response to Subcommittee Document Request 7, below).

- a. **Review of Blueacorn-processed PPP loans.** All the loans processed by Blueacorn received multiple levels of the review by Blueacorn before they were submitted to Prestamos CDFI for submission to the SBA, pursuant to the LSPA signed by Prestamos CDFI and Blueacorn on April 14, 2021, including identity verification, and antifraud measures. Blueacorn only passed on to Prestamos CDFI complete loan applications that had passed its multiple levels of vetting and review.



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- b. **Blueacorn-processed loan applications rejected based on suspected fraud.** As previously discussed, only “complete” PPP loan applications that had already passed Blueacorn’s underwriting and fraud detection processes were provided to Prestamos CDFI. Therefore, Prestamos CDFI is not aware of the number of applications denied based on suspected fraud during Blueacorn’s application intake, preparation, and review process.
- c. **Blueacorn-processed loan applications rejected by the SBA.** The SBA did not definitively “reject” loan applications. But SBA did flag some applications based on suspected fraud (or for other reasons). When SBA flagged an application submitted by Prestamos CDFI from the group of those processed by Blueacorn, the file was sent back to Blueacorn for further review. Many times, such SBA flags were easily resolved, such as suspected fraud flags that turned out to be due to “typos” in loan applications (*e.g.*, transposed bank routing or account numbers). Application with issues flagged by the SBA that could not be resolved were declined. Prestamos CDFI is reviewing its loan database and communications with the SBA to try to determine the total number of PPP loan applications originated by Blueacorn that the SBA flagged for suspected fraud and will provide that information as soon as practicable.

Information Request Question 3 – Policies and Procedures for Identifying, Preventing, and Mitigating Fraud in PPP Loan Applications Received from LSPs – As previously discussed, the LSPA between Prestamos CDFI and Blueacorn provided Blueacorn with the responsibility for processing PPP loan applications, including conducting document verification systems, customer identification procedures (CIP), and other fraud identification, prevention, and mitigation measures. Blueacorn’s internal PPP policies and procedures that were provided to Prestamos CDFI detail its internal employee training systems, BSA compliance, and fraud prevention systems integrated into the Blueacorn PPP loan application processing platform (see materials submitted in response to Subcommittee Document Request 7, below). Prestamos CDFI relied on Blueacorn to process PPP loan applications in accordance with its responsibilities under the LSPA and consistent with Blueacorn’s internal policies and procedures. Regular (often daily) interaction between Prestamos CDFI and Blueacorn staff during the PPP reinforced Prestamos CDFI’s confidence in the comprehensive nature of Blueacorn’s fraud identification, prevention, and mitigation efforts.

C. Information and documents responsive to prioritize information requested by the Select Subcommittee

Information Request Question 1 – Prestamos CDFI Employees Dedicated to Fraud Prevention – Prestamos CDFI continued to enhance its level of fraud detection throughout the PPP. As referenced above, at the outset of the PPP in April 2020, Prestamos CDFI relied on an internal team combining the efforts of approximately 18 full-time employees and independent contractors to manage and process applications via the SPARK Platform. The size of that group grew to approximately 30 in 2021. An Excel spreadsheet listing full- and part-time employees working on the PPP and their job descriptions are attached (*See* Prestamos Employees, Bates Number PRE-0000001 – PRE-0000002).



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The application review team included: (1) intake specialists who processed the initial loan applications; (2) second level reviewers who evaluated and confirmed information included in the loan application and supplemental verification information required by Prestamos CDFI (e.g., confirming LLC registration with secretaries of state offices, customer identification information, etc.); (3) customer service call center representatives; and (4) managers overseeing the process. Every one of these employees and independent contractors was trained to be on the lookout and screen against potential fraud

- **Prestamos CDFI PPP Employee Training Manual Fraud Detection Checklist** – As detailed in its PPP employee Training Manual, Prestamos CDFI’s customer risk and fraud detection policies and processes required multiple additional reviews and verifications, including the following: applicants’ February 2020 bank statement, government issued photo ID, IRS payroll tax documents, legal business names; NAICS Code; wage confirmation; business name and article of incorporation (as appropriate); 1099 or invoice confirming self-employment (as appropriate); and confirmation of documentation supporting the loan amount. The Prestamos CDFI training manual for employees and independent contractors processing PPP loan applications on the SPARK Platform is attached (*See* Prestamos Training Manual, Bates Number PRE-0000003 – PRE-0000112).
- **Prestamos CDFI PPP Review Team Fraud Detection Updates and Information Sharing** – In the course of reviewing the items on the SPARK Platform checklist, Prestamos CDFI’s second level review team periodically identified and flagged fraudulent documents – such as doctored IDs, tax forms, bank statements, and voided checks. When fraudulent documents were suspected, the entire review team was alerted to share information about suspected patterns of fraud so that the team could be alerted to flag similar suspicious documents and, ensure that similar fraudulent documentation would not pass muster. As previously detailed, approximately 784 PPP applications processed through the SPARK Platform (approximately 10% of the total number of applications) were ultimately denied, either because of suspected fraud, because they did not qualify for the program, or an SBA flag on their application could not be resolved. Another approximately 3,576 applications (approximately 47%) were deemed “withdrawn,” because applicants failed to upload required documentation, became unresponsive, or indicated that they obtained a PPP loan from another source.

The General Counsel’s office of Chicanos Por La Causa (CPLC), the 501(c)(3) parent entity of Prestamos CDFI, conducted compliance oversight for Prestamos CDFI’s PPP work.

Prestamos CDFI also established a formal fraud detection and prevention team in 2021 to review PPP applications flagged by Blueacorn, the SBA, or financial institutions for potential fraud.

Information Request Question 2 – Total Budgets for AML, BSA, and Fraud Compliance – Because many members of the Prestamos CDFI PPP application processing, general counsel’s office, and fraud prevention teams were already employees of Prestamos CDFI or its parent CPLC, salaries for those employees generally were not formally allocated to the Prestamos CDFI’s PPP program. Accordingly, Prestamos CDFI did not maintain salary information in the form requested by the Subcommittee’s questions. Based on CPLC’s regular accounting standards, CPLC imputed a 16% levy against the



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Prestamos CDFI budget for internal legal and accounting services. Prestamos CDFI is in the process of reviewing salary data for employees and independent contractors working throughout the Prestamos CDFI PPP program and will provide a more specific answer regarding the breakdown of these costs the as soon as practicable.

Information Request Question 6 – Information Regarding Compensation of Prestamos CDFI’s Senior Executives

– Prestamos CDFI, as a 501(c)(3) wholly-owned subsidiary of CPLC, is a “disregarded entity” for tax purposes. Accordingly, Prestamos CDFI’s financials are fully integrated with CPLCs and reported as part of CPLC’s Form 990 (Return of Organization Exempt from Income Tax). Note that, as a tax-exempt charitable organization, members of CPLC’s board of directors do not receive any compensation for their services. The attached excerpts from CPLC’s Form 990s for tax years for the two most recent tax years are attached listing compensation for CPLC’s and Prestamos CDFI’s most highly compensated and key employees. Note that the Form 990s reflect tax years concluding on June 30, 2020, and June 30, 2021, respectively. (Note Form 990 for year ending June 30, 2021, is still in draft.) (See Year Ending June 30, 2020, 990 Excerpt, Bates Number PRE-0000113 – PRE-0000115 and Year Ending June 30, 2021, 990 Excerpt Bates Number PRE-0000116 – PRE-0000118).

Document Request 7 – LSP Marketing Materials and Internal Policies and Procedures – We have attached the following documents in response to Document Request 7:

- Blueacorn Pitch Deck provided to Prestamos CDFI and detailing LSP “Risk Management and Security,” “Loan Process Flow” procedures, and “Fraud Detection Process” (See Blueacorn Deck – April 2021, Bates Number PRE-0000119 – PRE-0000158).
- Blue Acorn “Paycheck Protection (PPP) Training Manual” (See BA-PPP Loan General Training Manual, Bates Number PRE-0000159 – PRE-0000208).
- Blueacorn “BSA, AML and OFAC” policy overview” (See BA AML, BSA, OFAC, Bates Number PRE-0000209 – PRE-0000221).
- Blueacorn “Employee Handbook” (See Employee Handbook, Bates Number PRE-0000222 – PRE-0000288).
- Blueacorn “Code of Ethics” (See Blue Acorn Ethics and Anti-Discrimination Policies, Bates Number PRE-0000289 – PRE-0000295).

Document Request 3 – Documents Regarding Spot Checks of LSP Processed Loan Applications –

As previously discussed, Prestamos CDFI’s spot checks of completed LSP loan files was random and not formally logged or documented as they occurred.

Document Request 9 – SBA Form 3507 – We have attached a copy of Prestamos CDFI’s completed SBA Form 3507” (See Prestamos CDFI Form 3507, Bates Number PRE-0000296 – PRE-0000301).



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D. [REDACTED]

As a mission driven CDFI, Prestamos CDFI dedicated itself to providing PPP loans to as many qualified underserved borrowers as possible. A 57% rate of denial or withdrawal might have been regarded as a failure but for the fact that Prestamos CDFI has served as an SBA micro-loan lender since 1992, as a certified CDFI since 2000, and as an SBA 7(a) lender since 2017. Prestamos CDFI understands, and is committed to protecting, the SBA lending program's integrity. That is one reason the SBA regional office originally approached Prestamos CDFI to participate in the PPP.

During the PPP, Congress and the SBA subjected borrowers and lenders to a well-defined set of highly prescriptive rules. From the SBA's first interim final rule in April 2020 through the consolidated interim final rule issued in January 2021 (and throughout 19 intervening interim final rules and 28 FAQ's: a total of 47 guidance documents), the basic lender requirements remained constant.

So did the apportionment of obligations between borrowers and lenders. The SBA interpreted the CARES Act and subsequent PPP enabling statutes as requiring the SBA to impose upon borrowers the responsibility to provide accurate information in support of PPP loan applications and to attest to the accuracy of the information provided. The SBA put borrowers on notice that borrower certifications were being made to lenders and to the U.S. Government, and that borrowers would be subject to severe penalties for fraudulent misrepresentations.

The SBA designed a form (Form 2483) that details the borrower representations required to confirm the eligibility of an applicant's business to receive a PPP loan and the compensation/payroll information and supporting documents required to support an applicant's requested loan amount. The form requires the borrower to attest to the accuracy of required information and to certify the accuracy of the statements included in the form subject to criminal prosecution for false statements.

The SBA rules required lenders to rely upon any certification or documentation provided by an applicant for a PPP loan accompanied by an attestation that the applicant has accurately provided the certification or documentation to the lender in accordance with statutory requirements, regulations, and guidance related to PPP loans.

The SBA rules also required BSA compliance by non-depository financial institutions that previously had not been subject to the requirements of the BSA. Consistent with SBA regulations, Prestamos CDFI did not transfer funds directly to borrowers. Prestamos CDFI provided ACH authorizations to transfer funds to borrowers' designated bank accounts. This was designed to assure that approved loans would go only to borrowers who were vetted according to BSA requirements by their depository banks.

Prestamos CDFI complied with the SBA lender rules and went beyond the requirements in certain respects described below. Prestamos CDFI was required to certify its compliance in SBA Form 2484.



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This compliance resulted in denied or withdrawn PPP loans to 57% of direct applicants for Prestamos CDFI loans, but it served Prestamos CDFI's commitment to protect program integrity by applying SBA-required fraud identification, prevention, and mitigation measures.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



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2. PPP FACTS

[REDACTED]. In the closing weeks of Round 3, Congress and the SBA finally had succeeded in providing comparatively modest, but indispensable, loans to many thousands of sole proprietors, independent contractors, and self-employed small business borrowers, many of whom had faced irreversible economic harm absent receipt of Round 3 PPP loans.

As the Select Subcommittee reported in its October 2021 investigative summary, the road to this result had been difficult. Congress's call to prioritize underserved small business borrowers had not been heeded in Rounds 1 and 2; and unforeseen obstacles had shut out both CDFIs and borrowers.

Disproportionate harm had been suffered by African American-and-Hispanic-owned small businesses with four or fewer employees, including under-banked and unbanked small businesses.

Recognizing the PPP was failing those in dire financial need, Congress provided \$60 billion in PPP funding for community financial institutions, including CDFIs and MDIs, to ensure relief would reach underserved and minority-owned small businesses.

When PPP loans still had not reached the intended small businesses in December 2020, Congress increased funding to strengthen CDFIs and changed the PPP loan fee structure to incentivize loans of \$50,000 or less.

In January 2021, the SBA opened a Round 3 loan portal, with a funding window dedicated to promoting PPP loan applications to CDFIs as a means of promoting PPP loan access for minority, underserved, veteran, and women-owned small businesses. Then, in March, regulations were changed to enable the smallest businesses to apply for loans based on gross income, rather than net income, on or after March 3, 2021.

Prestamos CDFI executed its LSP agreement with Blueacorn on April 14, 2021, and issued over 434,000 loans in the final weeks of Round 3. Over 90% of those loans helped sole proprietors, independent contractors, and self-employed individuals. Nearly 100% went to borrowers whose loans had been approved on or after March 3, 2021. Minority business owners benefited disproportionately from these loans.



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In other words, as Round 3 drew to a close, with Blueacorn's FinTech support, Prestamos CDFI funded several hundred thousand loans for exactly the population of underserved and minority-owned small businesses Congress and the SBA had prioritized.

Prestamos CDFI is proud of its role but believes the result in Round 3 was at best a qualified success because these business owners were essentially excluded in Rounds 1 and 2. Round 3 helped close a critical gap. In Prestamos CDFI's opinion, this couldn't have been done at the required scale without the programmatic changes made by Congress and the SBA; and without the technological support supplied by Blueacorn and other FinTechs.

3. UT PAPER MISCHARACTERIZATIONS

Prestamos CDFI's central concerns are attributable to the UT Paper's authors' willful decision to disregard the central facts that occurred in the PPP, especially Round 3.

In the August 2021 Paper, the authors described their familiarity with four rapidly emerging "literatures" on FinTech lending that highlighted its growing importance, its positive economic effects through filling gaps left by traditional banks, its reduction in defaults, its increased lending in zip codes with fewer traditional banks, lower incomes, and higher minority percentages. Despite these positive factors, the UT authors declared,

While FinTech literature finds benefits to FinTech lending such as increased competition, broader financial access, faster lending speed, and lower defaults, our paper analyzes a potential cost of FinTech expansion, **leaving overall welfare analysis to future research.**

(8/13/21 Paper, p. 3)

The scope of the factual reporting on the need for Round 3 PPP loans to small businesses in dire need was extensive: including reports by the Select Subcommittee and others in Congress, the Federal Reserve, the SBA OIG, the General Accounting Office, and private sector analysts.¹

¹ <https://libertystreeteconomics.newyorkfed.org/2021/05/WHO-RECEIVED-PPP-LOANS-BY-FINTECH-LENDERS/>
<https://libertystreeteconomics.newyorkfed.org/2021/05/WHO-BENEFITED-FROM-PPP-LOANS-BY-FINTECH-LENDERS/>
<https://coronavirus.house.gov/sites/democrats.coronavirus.house.gov/files/PPP%20Report%20Final%20%283%29.pdf>
<https://www.gao.gov/assets/gao-21-601.pdf>
<https://www.sba.gov/sites/default/files/2021-01/SBA%20OIG%20Report-21-07.pdf>
<https://www.federalreserve.gov/publications/files/2020-report-economic-well-being-us-households-202105.pdf>
<https://www.clevelandfed.org/en/newsroom-and-events/publications/economic-commentary/2021-economiccommentaries/ec-202113-reach-of-ppp-loans-in-lmi-communities.aspx>
https://www.nber.org/system/files/working_papers/w29364/w29364.pdf
<https://www.fedsmallbusiness.org/medialibrary/FedSmallBusiness/files/2021/sbcs-report-on-firms-owned-by-people-of-color>
<https://www.bloomberg.com/graphics/2021-chicago-ppp-loans-economic-recovery/>



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The UT Paper authors willfully chose to ignore readily available facts in the PPP and to replace them with conjectural "inferences" based on "indicators" of "potential misreporting" designed by the UT Paper authors **after** Round 3 was over. The August 2021 UT Paper numbers 18,405 words. It includes only three references to "black-owned businesses," a single reference to "Hispanic-owned firms," and one reference to minority borrowers. In contrast, the UT Paper references "zip codes" 55 times and potential misreporting (or potentially misreporting, potentially misstated) 16 times.

The UT Paper does not examine loans **actually proven** to have been fraudulent. It "**flags**" loans where one or more of nine "**indicators**" invented by the authors "**may be present**," indicating "**potential misreporting**." The authors concede, "Each indicator creates an inference that a loan is suspicious but is not proof of misreporting on its own."

The decision to disregard the actual facts that occurred in the PPP untethered the authors to infer culpability in every scenario without the balance factual evidence would have provided. Consider a few examples of resulting mischaracterizations:

- a. **Congress' Decision To Adjust Fees For Loans Of \$50,000 Or Less.** Congress made this change to incentivize Round 3 loans to minority-owned self-employed small business borrowers in dire need. The authors ignored this fact and attributed increased Round 3 loan volumes to alleged profiteering — and they singled out Prestamos CDFI and Blueacorn. Prestamos CDFI is a nonprofit CDFI. Over 90% of Prestamos CDFI and Blueacorn Round 3 loans provided critical relief to sole proprietors, independent contractors, and self-employed borrowers; nearly 100% were for loans based on applications approved on or after March 3, 2021. (8/13/21 Paper, p. 30; 3/11/22 Paper, p. 33) The goal of Prestamos CDFI was to reach the large groups Congress had targeted for relief in Round 3. They succeeded.
- b. **New Lenders.** UT Paper: "Lenders with fewer SBA loans pre-pandemic, have lent in SBA programs for fewer years, and for whom the PPP was their first experience with SBA lending (in particular new FinTechs) all have higher rates of flagged loans ... Blueacorn was founded in April 2020 exclusively to source PPP loans in partnership with Capital Plus and Prestamos CDFI. Both firms have relied heavily on online advertising promoting easy access to PPP money and anecdotal discussions on forums such as Reddit suggested both employed identity verification that was not rigorous." (8/13/21 Paper, p. 28)

In lieu of the facts readily available in the PPP program, the authors relied for their "inferences" on "anecdotal discussions on Reddit." Factual examination would have shown (a) Prestamos CDFI is a seasoned SBA micro-lender; (b) Prestamos CDFI executed an LSPA with Blueacorn on April 14, 2021 (not in April 2020, as the authors insinuate), just in time to address the programmatic needs urgently identified by Congress and the SBA; and, (c) Congress was counting on Prestamos CDFI and other CDFIs to reach borrowers, who had been denied loans in Rounds 1 and 2, using marketing and online advertising. Congress's



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premise was: "If you build it, they won't come, if no one tells them about it." Prestamos CDFI told them about it, as Congress expected. And then they came.²

- c. **Loan Screening.** The UT authors concluded their March 2022 report with the following discussion: "Did lenders improve their loan screening over time? **While we do not observe denied applications or specific lender practices**, we can observe how loans that were approved and funded changed over time... FinTech and traditional lenders both started the PPP with suspicious loan rates of less than 10%, but by the end of the program the FinTech suspicious loan rate was close to 30%, more consistent with scenario B." (3/11/22 Paper, p. 35)

In the conclusion of the August 2021 Paper, the authors had conceded: "**While there are limitations to what our data and analysis can discern, the sheer scope of the tens and hundreds of thousands of suspicious loans originated by many FinTech lenders suggests that many lenders either encouraged such loans, turned a blind eye to them, or had extremely lax oversight procedures.**" (8/13/21 Paper, p. 35)

Had the authors not foreclosed access to the facts within the PPP, the answer would not have been in doubt. The "sheer scope" of the hundreds of thousands of loans in Round 3 had indeed been encouraged: by Congress, by the regulators, and then by Prestamos CDFI and other lenders committed to providing loans to small businesses in dire need before Round 3 expired.

The UT Paper authors' decision to ignore the facts in the PPP in favor of inferences based on *ex post facto* metrics distorted their ability to apply fact-based assessments. The metrics they used weren't even the criteria that governed compliance by lenders and borrowers during the PPP. (A good thing, because the authors' reliance on zip codes and certain other questionable "flags" introduced harmful bias that would have subjected unserved borrowers to additional obstacles in Round 3.)

Whereas Congress, the SBA, Treasury, the SBA OIG, and the Federal Reserve recognized the possibility of profound failure in Round 3, and severe harm to many thousands of self-employed borrowers, the UT paper authors saw dramatic increases in Round 3 lending, and all they recognized were "indicators" that created an "inference" of "potential misreporting."

In its press release dated November 3, 2021, the Select Subcommittee described its purpose as follows:

The Select Subcommittee has consistently advocated for increasing access to loans and capital to those in underserved markets, including businesses owned by veterans, members of the military, socially and economically disadvantaged individuals, and

² House Financial Services Committee Hearing, *An Unprecedented Investment for Historic Results: How Federal Support for MDIs and CDFIs Have Launched a New Era for Disadvantaged Communities*, February 16, 2022, Representative Ayanna Pressley, transcript page 62



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women. In achieving this goal, both now and in the future, FinTechs and their bank partners may have an important role to play through participation in small business loan programs. **However, future partnerships must be contingent on FinTechs and their bank partners' demonstrated ability to properly administer taxpayer funds and not jeopardize the integrity of the programs in which they participate."**

We appreciate the Select Subcommittee's recognition of facts that contributed to the eventual progress that occurred in Round 3, as well as the Select Subcommittee's recognition of the UT Paper's prospective utility.

Respectfully submitted,



John A. Merrigan/s



Matthew C. Bernstein/s

Enclosures

cc: The Honorable Steve Scalise, Ranking Member



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AMERICA • ASIA PACIFIC • EUROPE

May 12, 2022

CONFIDENTIAL

VIA EMAIL

The Honorable James E. Clyburn
Chairman
Select Subcommittee on the Coronavirus Crisis
2157 Rayburn House Office Building
Washington, DC 20515

Re: Production in Response to Subcommittee Request Letter

Dear Chairman Clyburn:

We are writing on behalf of Blueacorn PPP, LLC (“Blueacorn”) in response to your November 22, 2021 letter asking for information regarding Blueacorn’s Paycheck Protection Program (“PPP”) loan processing activities.

In accordance with the agreement between Blueacorn and Subcommittee staff that Blueacorn should provide its responses on a rolling basis, we are submitting documents responsive to Document Request Nos. 1, 2(a), 2(b), & 4. As previously discussed with the staff, certain of the original and supplemental requests that the staff has identified as priorities will take longer to respond to than others, so we will continue to provide information on a rolling basis in order to avoid unnecessarily delaying production of information that is currently available to be produced.

Request No. 1

All documents and policies establishing or governing the process that Blueacorn used to review and approve PPP loan applications.

Request No. 2(a)

All documents and policies related to . . . any system of preventive controls that Blueacorn has used to deter and minimize fraud related to PPP loans.

Response to Request No. 1 and 2(a)

In response to Document Request Nos. 1 and 2(a), Blueacorn is hereby producing the PPP Loan Processing Script, which was a training document used to onboard and instruct members of the Eligibility Verification team on how to process loan applications. This document bears production Bates numbers BA-SSCC-0000166 – BA-SSCC-0000202.

Request No. 2(b)

All documents and policies related to . . . any system of detective controls Blueacorn has had in place to identify and respond to PPP loan fraud after it had occurred.

Request No. 4

All training materials provided to employees and contractors from January 1, 2020 to May 27, 2021, related to fraud control and prevention, PPP loans, financial crime investigations, and suspicious activity reporting.

Response to Request No. 2(b) and 4

In response to Document Request Nos. 2(b) and 4, Blueacorn is hereby producing three BSA, AML, and OFAC training presentations that were used in onboarding the Eligibility Verification team. These documents bear production Bates numbers BA-SSCC-0000123 – BA-SSCC-0000165; BA-SSCC-0000203 – BA-SSCC-0000215; and BA-SSCC-0000216 – BA-SSCC-0000226.

* * *

Please note that the information provided in connection with this response is business-sensitive and, if released, would cause injury to Blueacorn. We have marked this letter and the enclosed materials “Confidential” and request that they not be disclosed beyond the Subcommittee or made public. If public release is contemplated, we request the opportunity to be heard before the proposed use.

Please feel free to have your staff contact us with any questions concerning this response.



Michael E. Borden

Michael A. Levy

SIDLEY

Page 3

Enclosure

cc: Hon. Steve Scalise, Ranking Member

[REDACTED]

-----Original Message-----

From: [REDACTED]@cov.com>

Sent: Thursday, May 19, 2022 9:35 PM

[REDACTED]

Subject: RE: Phone Call Follow-Up

[REDACTED]

Our understanding is that all of the 13 loans named in the April 26 letter and your April 29 follow-up email were processed using the Blueacorn system. As we previously noted, we produced to the SSCC only materials directly accessible by Capital Plus.

Based on records accessible to Capital Plus in the SBA lender portal, it appears that five of the loans named in the April 26 letter and your April 29 follow-up email were forgiven after the borrower applied for forgiveness directly with the SBA (loan numbers 6265518505, 2616498604, 3090888602, 6232778604, and 9150558608) and that four were forgiven after the borrower applied for forgiveness through the Blueacorn system (loan numbers 4818108404, 9383918501, 1688898600, and 8252298609).

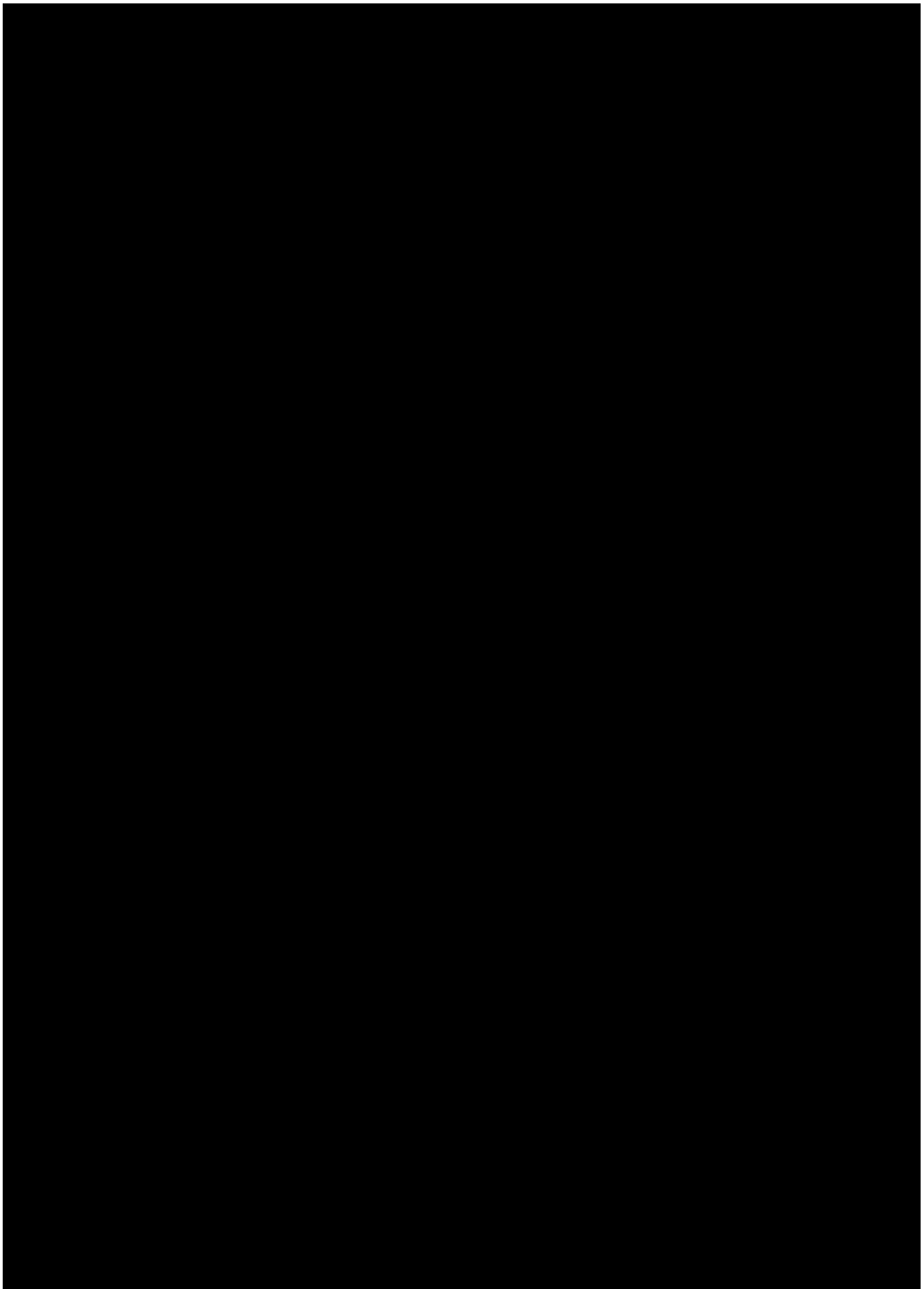
Regarding repayment of the loans to Nathan Reis, Stephanie Hockridge, Body Politix LLC, and Juuice, Inc., named in the April 26 letter, our understanding is that the request for repayment was initiated by Blueacorn. We further understand that Capital Plus is not currently planning to request that Adam Spencer or Kristen Spencer, both of whom are affiliated with Elev8 Advisors, repay the loans named in the April 26 letter.

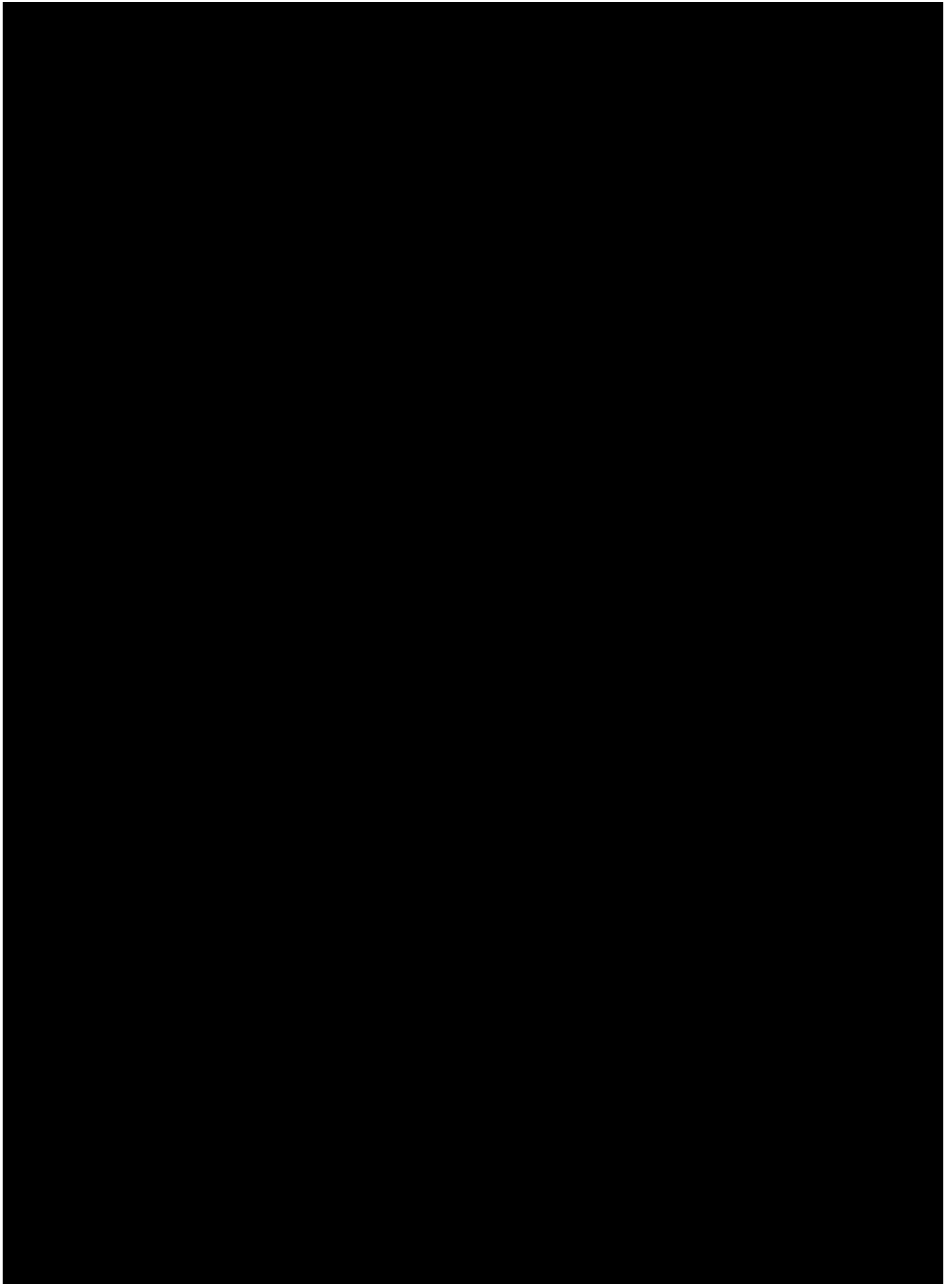
Additionally, we are planning to produce communications related to the repayment of the loans to Nathan Reis, Stephanie Hockridge, Body Politix LLC, and Juuice, Inc., by Tuesday.

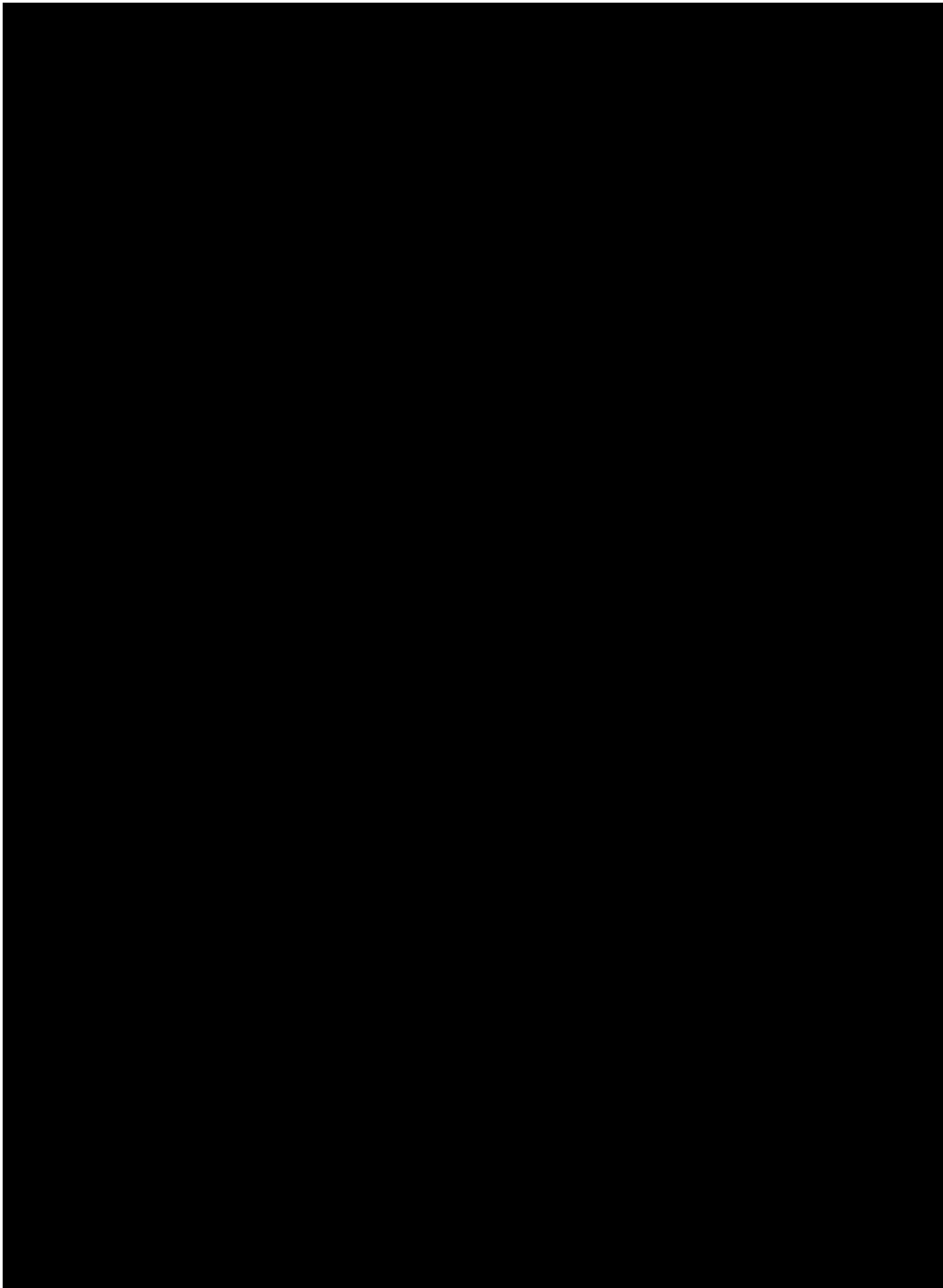
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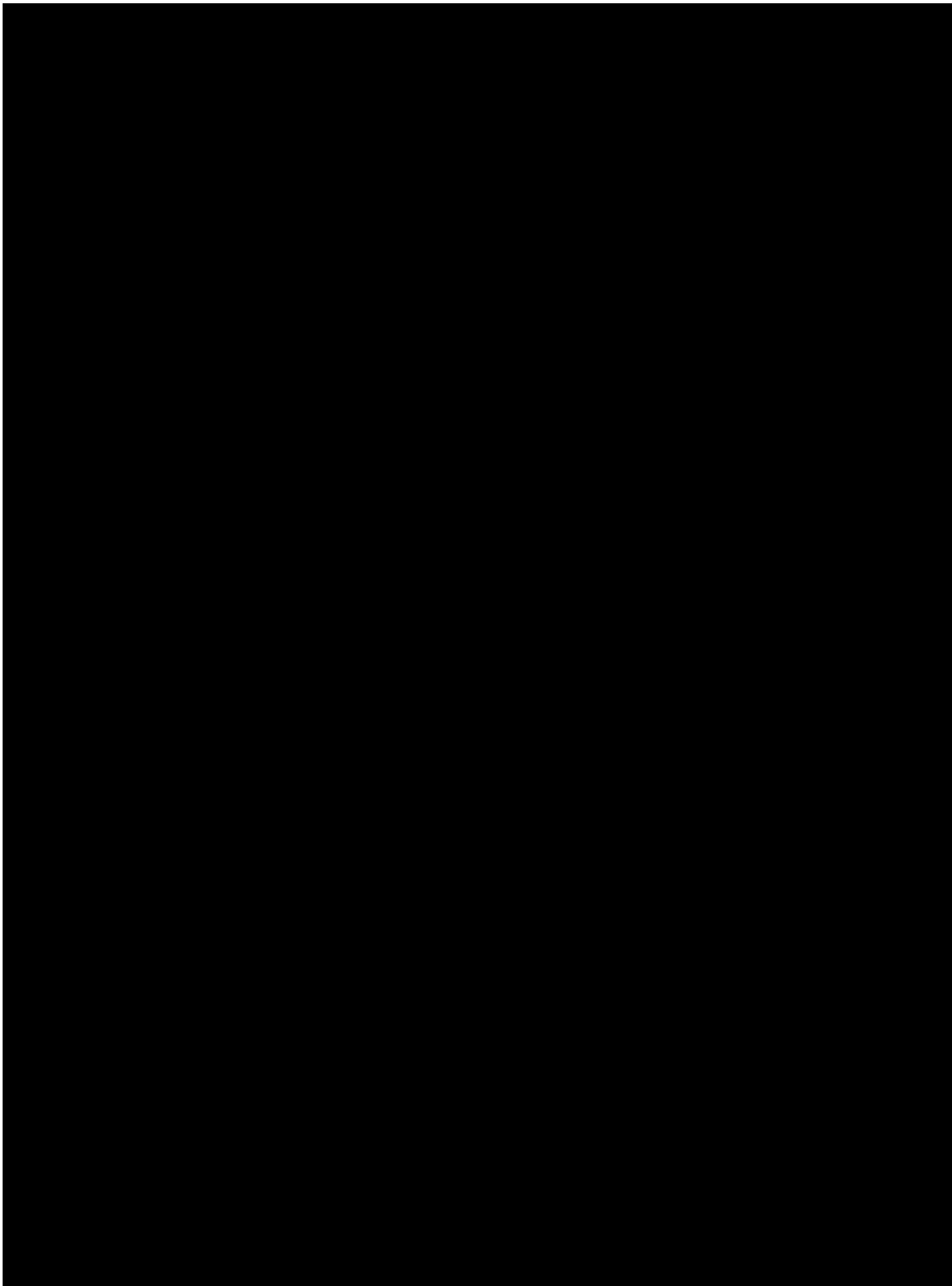
[REDACTED]

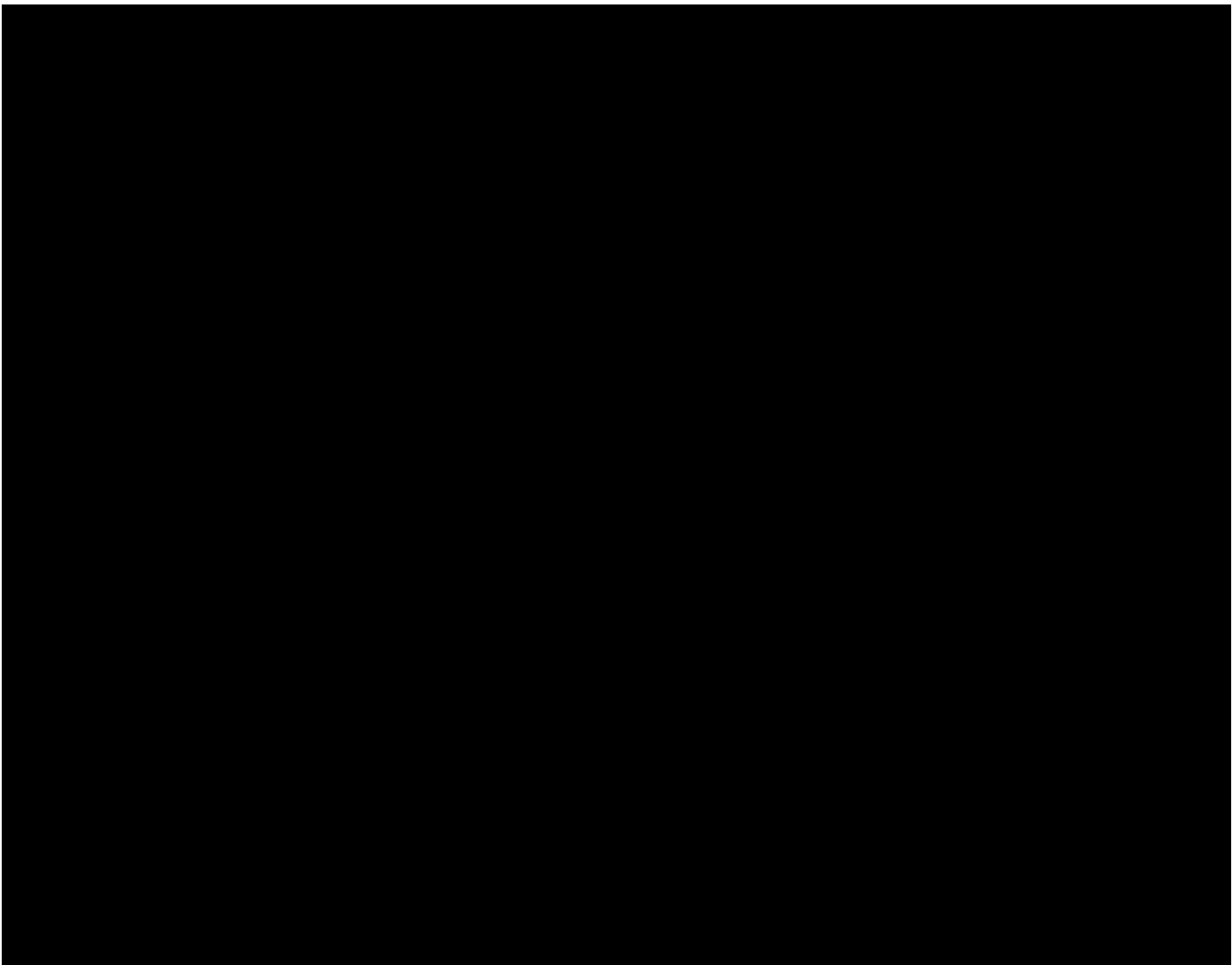
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June 6, 2022

CONFIDENTIAL

VIA EMAIL

The Honorable James E. Clyburn
Chairman
Select Subcommittee on the Coronavirus Crisis
2157 Rayburn House Office Building
Washington, DC 20515

Re: Production in Response to Subcommittee Request Letter

Dear Chairman Clyburn:

We are writing on behalf of Blueacorn PPP, LLC (“Blueacorn”) in response to your November 22, 2021 letter asking for information regarding Blueacorn’s Paycheck Protection Program (“PPP”) loan processing activities.

In accordance with the agreement between Blueacorn and Subcommittee staff that Blueacorn should provide its responses on a rolling basis, and in response to certain supplemental requests that the Subcommittee staff conveyed by email on May 16, 2022, we are submitting a document responsive to Document Request No. 5, as well as responses to Subcommittee staff’s supplemental requests related to the PPP loan processing script, which Blueacorn produced on May 12. As previously discussed with the staff, certain of the original and supplemental requests that the staff has identified as priorities will take longer to respond to than others, so we will continue to provide information on a rolling basis in order to avoid unnecessarily delaying production of information that is currently available to be produced.

Document Request No. 5

All documents, including audits, monthly statistics, and external reviews, containing assessments or estimates of the amount and value of improper payments that have been made to PPP applicants whose loans were processed through or facilitated by the company.

Response to Document Request No. 5

In response to Document Request No. 5, Blueacorn is producing an external, public report authored by economist Jeff Dominitz, PhD. In his report, which was supported by funding from Blueacorn, Dr. Dominitz concludes that a previous study from the University of Texas—which had estimated that at least 1.4 million PPP loans totaling between \$64 and \$117 billion were potentially fraudulent—was characterized by serious methodological flaws that disproportionately raised suspicions of fraud concerning loan applications submitted by smaller businesses and overestimated the volume of fraudulent PPP loans facilitated by financial technology companies.

Dr. Dominitz's conclusion that the University of Texas study's estimate of potential fraud is seriously inflated is consistent with the conclusion stated by the SBA's Office of Inspector General in a report on potential PPP fraud released late last month, entitled, "SBA's Handling of Potentially Fraudulent Paycheck Protection Program Loans," which is available at <https://www.sba.gov/document/report-22-13-sbas-handling-potentially-fraudulent-paycheck-protection-program-loans>. At page 5 of its report, OIG explained that its investigators had identified "70,000 potentially fraudulent PPP loans totaling more than \$4.6 billion," along with another "54,000 PPP related OIG Hotline complaints." The SBA noted in its response to the OIG's conclusions (on an unnumbered page at page 23 of the PDF of the OIG report) that "the 70,000 PPP loans identified by OIG as potentially fraudulent, combined with the 54,000 PPP inquiries to the OIG Hotline, equates to approximately one percent of the PPP loans made by SBA."

Dr. Dominitz's report also highlighted (at page 10) a feature of the University of Texas study that was otherwise potentially obscured—that although the study identified numerous distinct indicators of potential fraud, the overwhelming percentage of loans that the study identified as potentially fraudulent were based on a single flag—the "high implied compensation" flag—with the other flags of potential fraud doing relatively little work. Put differently, despite discussing numerous potential methods of fraud, the overwhelmingly predominant type of potential fraud identified by the University of Texas study was applicants potentially misrepresenting their eligibility for their loan by overstating their income. That was, as is well known, an area that lenders were told not to scrutinize, having been instructed by the SBA—as the SBA repeated again in its response to the recent OIG report (at page 23 of the PDF)—"to rely on borrower certifications that they were eligible for the program."

Dr. Dominitz's report bears production Bates numbers BA-SSCC-0000573 through BA-SSCC-0000606, and is also available publicly at <https://econw.com/dr-jeff-dominitz>.

Staff's First Supplemental Request Regarding the Loan Processing Script

Provide the names of the individuals that authored this document, reviewed this document, and approved it for use. Provide details on in what way the following individuals were involved in the drafting, approval, updating, or dissemination of this document: Adam Spencer, Kristen Spencer, Barry Calhoun, Noah Spirakus, Nate Reis, and Stephanie Hockridge.

Response to Staff's First Supplemental Request Regarding the Loan Processing Script

The loan processing script was authored by [REDACTED]. [REDACTED] and Adam Spencer, in consultation with Everett Advisory Partners, reviewed and approved the document.

Staff's Second Supplemental Request Regarding the Loan Processing Script

Please provide further details on the software and team that Blueacorn used to detect fraud, as referenced in Appendix D, including the type of software, the composition of the team, and the team's management or leads. Also provide the communications, documents, and other records related to the "feedback" referenced in Appendix D reading "this action has been taking in response to feedback that we are marking too many documents as fraudulent." Please include in your follow-up response the names of the individuals that gave this feedback, when the feedback was given, and who it was given to.

Response to Staff's Second Supplemental Request Regarding the Loan Processing Script

All Blueacorn applicants were required to verify their identities. Appendix D of the loan processing script addressed fraudulent identifications and instructed Blueacorn-contracted eligibility verifiers ("EVer") on common types of fraudulent identifications.

The steps taken to verify an individual's identity changed over the course of the program. From January to March 2021, applicants were asked to scan and upload their government-issued identifications. These identifications were then manually reviewed by EVer.

At the end of March 2021, Blueacorn began using IDology—a platform that used an applicant's social security information to generate a list of multiple-choice questions that only the applicant should be able to answer. An example of a question that the IDology system might ask an applicant is "what was your home address in 1998?" Blueacorn realized within a week or two that the IDology questions were quite difficult for many potential borrowers. For instance, address questions were particularly hard to answer correctly if individuals had moved frequently throughout their life, as many low income, sole proprietors served by Blueacorn had done.

Beginning in early April 2021, Blueacorn's primary method of identity verification became technology supplied by a well-regarded, venture-backed service provider called Onfido

(<https://onfido.com/company/about>). Onfido prompted applicants to take photos of the front and back of their driver’s license and then scan their face through an app. Onfido then compared the two through its proprietary technology to confirm the identification of the applicant. Onfido also ran a series of fraud checks on licenses to identify fakes including analyzing reflections in the image and analyzing a license’s border. The technology also analyzed how borrowers interacted with the process—for example, how long the applicant took to scan their face—to identify suspicious behavior. After Blueacorn’s switch to Onfido, applicants were only directed to the IDology system if they failed Onfido or if their application was subsequently flagged as suspicious at some later point in the application process.

Regarding the feedback provided on Appendix D that Blueacorn was marking too many documents as fraudulent, it is likely that the source of the sentiment expressed in this comment was Matt Mandell, the founder and owner of PayNerd, a Blueacorn marketing partner that used online advertising to refer potential applicants to Blueacorn’s application process. Over the course of the 2021 round of the PPP, Blueacorn’s fraud detection systems became increasingly rigorous. This increased rigor meant that Blueacorn’s eligibility verification system flagged an increasing number of applications as potentially fraudulent. Mandell, whose company was compensated only for marketing leads that ripened into completed loans, regularly suggested to Blueacorn leadership that Blueacorn’s increasingly rigorous system was too sensitive and was holding up or blocking applicants who were not engaged in fraud, thereby preventing legitimate PPP loan applications from being processed. Although Mandell’s complaints were generally rebuffed by Blueacorn leadership, there was merit to the feedback reported in Appendix D (whoever may have offered it) that individual reviewers were ill-suited to identify any but the least sophisticated fake identification documents. It was for that reason that Blueacorn transitioned to verifying identity through IDology and Onfido.

Staff’s Third Supplemental Request Regarding the Loan Processing Script

Provide details related to the screenshot in Appendix E, including the title/name and full contents of this chat channel, the participants in the chat channel, and the date that this comment was made.

Response to Staff’s Third Supplemental Request Regarding the Loan Processing Script

The screenshot in Appendix E is from a Slack channel used by members of the Blueacorn EV team to communicate and elevate suspicious or potentially fraudulent activity observed in the PPP loan applications the team reviewed. The messages in the screenshot were made on April 1, 2021. The participants in the channel include Noah Spirakus, [REDACTED], [REDACTED], [REDACTED] Owensby, [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED].

[REDACTED] Owensby, [REDACTED],
[REDACTED]
[REDACTED], [REDACTED]
Owensby, [REDACTED] Spencer, [REDACTED] Kristen Spencer, [REDACTED]
[REDACTED]
[REDACTED],
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED],
[REDACTED]

Blueacorn is producing the full content of the Slack channel. The documents bear production Bates numbers BA-SSCC-0000227 through BA-SSCC-0000572.

Staff's Sixth Supplemental Request Regarding the Loan Processing Script

Did this document at one time have other appendices, including those labeled B, H, and I? If so, please provide them and also provide the date that they were removed from this document.

Response to Staff's Sixth Supplemental Request Regarding the Loan Processing Script

The loan processing script did at one time have additional appendices that were later removed. As we have discussed in prior productions, Blueacorn continued to improve its loan review process over the course of the PPP. As such the loan script was occasionally updated to accurately reflect these changes. This included removing appendices when they were no longer relevant due to either upgrades in Blueacorn's technology or improvements to Blueacorn's review procedures.

Below are descriptions of the three appendices identified by subcommittee staff. No other appendices were removed from the loan processing script.

- Appendix B: Loan Math – This appendix was removed on May 10, 2021. Around this time, Blueacorn updated its technology to automate loan amount calculations based on Line 7 of an applicant's Schedule C. The inclusion of the "Loan Math" appendix was no longer necessary. Blueacorn is producing Appendix B; it bears production Bates number BA-SSCC-0000607.
- Appendix H: Miscellaneous FAQ – This appendix was not eliminated from the document. It can be found at BA-SSCC-0000200.

- Appendix I: How to Correct Mistakes in Salesforce – This appendix was removed on May 2, 2021, after Blueacorn upgraded its Salesforce technology to resolve a particular application routing error that prior to the technological upgrade occasionally occurred and required an EVer to make manual adjustments within Salesforce to properly route the application. Blueacorn is producing Appendix I; it bears production Bates numbers BA-SSCC-0000608 through BA-SSCC-0000611.

* * *

Some information provided in connection with this response is business-sensitive and, if released, would cause injury to Blueacorn. We have marked this letter and the enclosed materials “Confidential” and request that they not be disclosed beyond the Subcommittee or made public. If public release is contemplated, we request the opportunity to be heard before the proposed use.

Please feel free to have your staff contact us with any questions concerning this response.



Michael E. Borden

Michael A. Levy

Enclosure

cc: Hon. Steve Scalise, Ranking Member



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AMERICA • ASIA PACIFIC • EUROPE

June 30, 2022

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VIA EMAIL

The Honorable James E. Clyburn
Chairman
Select Subcommittee on the Coronavirus Crisis
2157 Rayburn House Office Building
Washington, DC 20515

Re: Production in Response to Subcommittee Request Letter

Dear Chairman Clyburn:

We are writing on behalf of Blueacorn PPP, LLC (“Blueacorn”) in response to your November 22, 2021 letter asking for information regarding Blueacorn’s Paycheck Protection Program (“PPP”) loan processing activities.

In accordance with the agreement between Blueacorn and Subcommittee staff that Blueacorn should provide its responses on a rolling basis, we are submitting narratives and documents responsive to certain supplemental requests that the Subcommittee staff conveyed by email on May 16, 2022, and June 15, 2022. As previously discussed with the staff, certain of the original and supplemental requests that the staff has identified as priorities will take longer to respond to than others, so we will continue to provide information on a rolling basis in order to avoid unnecessarily delaying production of information that is currently available to be produced.

Staff’s Fifth Supplemental Request Regarding the Loan Processing Script

Clarify how this training was delivered and whether it was part of a presentation, used as a script for a trainer/presenter, or read by EVs on their own from a share drive. Please explain whether there was any testing or other method of learning confirmation done to confirm understanding of this training?

Response to Staff's Fifth Supplemental Request Regarding the Loan Processing Script

Blueacorn principally used the loan processing script as a tool to assist with onboarding new Eligibility Verifiers ("EVer"). Blueacorn required all new EVer to participate in a mandatory orientation training. During this training, a presenter, using the loan processing script as a guide, walked new EVer through Blueacorn's various policies and procedures. After this initial presentation, EVer had access to the loan processing script in an electronic shared folder, which held other training materials such as the BSA, AML, and OFAC training slide deck presentations that we previously produced to Subcommittee staff, bearing bates numbers BA-SSCC-0000123 through BA-SSCC-0000165 and BA-SSCC-0000203 through BA-SSCC-0000226. EVer were encouraged to refer to these training materials throughout their time at Blueacorn.

Staff's First Supplemental Request Regarding the AML/BSA Training Slide Deck

Provide the names of the individuals that authored this document, reviewed this document, and approved it for use. Provide the dates that this document was published and all dates when it was updated. Provide details on what way the following individuals were involved in the drafting, approval, updating, or dissemination of this document: Adam Spencer, Kristen Spencer, Barry Calhoun, Noah Spirakus, Nate Reis, and Stephanie Hockridge?

Response to Staff's First Supplemental Request Regarding the AML/BSA Training Slide Deck

This PowerPoint presentation was created by [REDACTED] and Everett Advisory Partners. It was approved by Matt Yahes and Barry Calhoun on September 28, 2021. [REDACTED] assisted in creating earlier versions of this presentation, which we have previously produced to Subcommittee staff. Those documents bear bates numbers BA-SSCC-0000203 through BA-SSCC-0000226.

Staff's Supplemental Request for Loan Files (email dated June 15, 2022)

Please [produce] all communications and documents – including the Salesforce files (similar to the document produced in BA-PSI-0005457), Blueacorn Dashboard files (similar to the document produced in BA-PSI-0007989), and the Loan History (similar to the document produced in BA-PSI-0005456) – associated with the loans listed in Tab 1 and Tab 2 of the attached spreadsheet.

Response to Staff's Request for Loan Files

In response to subcommittee staff's supplemental request for various loan files, Blueacorn is hereby providing an initial production of loan files requested by the Committee.

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The loan files being produced with this letter bear production bates number BA-SSCC-0000612 through BA-SSCC-0003874.

No.	Borrower Name	Date Approved	Address	Zip	Loan Amount
1	[REDACTED]	03/20/2021	[REDACTED]	85206	\$10,722.00
2	Body Politix LLC	02/10/2021	[REDACTED]	85821	\$20,832.00
3	[REDACTED]	03/31/2021	[REDACTED]	91302	\$2,010.00
4	[REDACTED]	03/10/2021	[REDACTED]	89141	\$14,655.00
5	[REDACTED]	N/A	[REDACTED]	75051	\$20,832.00*
6	[REDACTED]	03/03/2021	[REDACTED]	85018	\$62,002.00
7	[REDACTED]	04/02/2021	[REDACTED]	85206	\$11,457.00
8	[REDACTED]	03/27/2021	[REDACTED]	85234	\$5,000.00
9	[REDACTED] Hartin	03/13/2021	[REDACTED]	85213	\$11,290.00
10	Stephanie Hockridge	02/10/2021	[REDACTED]	85281	\$14,427.00
11	Juice Inc.	02/12/2021	[REDACTED]	85821	\$62,500.00
12	[REDACTED]	04/07/2021	[REDACTED]	85044	\$11,665.00
13	[REDACTED]	04/06/2021	[REDACTED]	85044	\$18,957.00
14	[REDACTED]	03/31/2021	[REDACTED]	85044	\$18,175.00
15	[REDACTED]	03/31/2021	[REDACTED]	85044	\$20,152.00
16	[REDACTED]	03/15/2021	[REDACTED]	85234	\$11,475.00
17	[REDACTED]	03/31/2021	[REDACTED]	89144	\$8,562.00
18	[REDACTED]	05/14/2021	[REDACTED]	85331	\$20,000.00
19	[REDACTED]	03/01/2021	[REDACTED]	85122	\$12,985.00
20	[REDACTED]	03/01/2021	[REDACTED]	85122	\$19,267.00
21	[REDACTED]	03/24/2021	[REDACTED]	85122	\$10,067.00
22	[REDACTED]	N/A	[REDACTED]	85302	\$3,750.00*
23	[REDACTED] Owensby	03/25/2021	[REDACTED]	87714	\$20,832.00
24	[REDACTED]	03/10/2021	[REDACTED]	80132	\$2,912.00
25	[REDACTED]	03/25/2021	[REDACTED]	75227	\$9,677.00
26	Nathan Reis	01/26/2021	[REDACTED]	85251	\$20,832.00
27	[REDACTED]	03/15/2021	[REDACTED]	85212	\$11,512.00
28	[REDACTED]	04/11/2021	[REDACTED]	89044	\$20,207.00
29	Adam Spencer	03/20/2021	[REDACTED]	85213	\$20,832.00
30	[REDACTED] Spencer	03/12/2021	[REDACTED]	85213	\$11,545.00
31	[REDACTED] Spencer	03/15/2021	[REDACTED]	85213	\$12,937.00
32	Kristen Spencer	03/16/2021	[REDACTED]	85213	\$20,832.00

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No.	Borrower Name	Date Approved	Address	Zip	Loan Amount
33		05/11/2021		89144	\$4,132.00
34		03/24/2021		77459	\$5,307.00
35		N/A		85281	\$19,005.00*
36		04/22/2021		85044	\$19,660.00
37		05/26/2021		85209	\$18,297.00

Blueacorn will continue to produce loan files in response to this supplemental request on a rolling basis.

* * *

Some information provided in connection with this response is business-sensitive and, if released, would cause injury to Blueacorn. We have marked this letter and the enclosed materials "Confidential" and request that they not be disclosed beyond the Subcommittee or made public. If public release is contemplated, we request the opportunity to be heard before the proposed use.

Please feel free to have your staff contact us with any questions concerning this response.



Michael E. Borden

Michael A. Levy

Enclosure

cc: Hon. Steve Scalise, Ranking Member

* These loan applications were never submitted to the SBA. The loan amount indicated for each loan file represents only the applicant's requested loan amount, which the Blueacorn system generated after the applicant completed Blueacorn's online application process.



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AMERICA • ASIA PACIFIC • EUROPE

July 22, 2022

CONFIDENTIAL

VIA EMAIL

The Honorable James E. Clyburn
Chairman
Select Subcommittee on the Coronavirus Crisis
2157 Rayburn House Office Building
Washington, DC 20515

Re: Production in Response to Subcommittee Request Letter

Dear Chairman Clyburn:

We are writing on behalf of Blueacorn PPP, LLC (“Blueacorn”) in response to your November 22, 2021 letter asking for information regarding Blueacorn’s Paycheck Protection Program (“PPP”) loan processing activities.

In accordance with the agreement between Blueacorn and Subcommittee staff that Blueacorn should provide its responses on a rolling basis, we are submitting narratives and documents responsive to certain supplemental requests that the Subcommittee staff conveyed by email on May 16, 2022, and June 15, 2022. As previously discussed with the staff, certain of the original and supplemental requests that the staff has identified as priorities will take longer to respond to than others, so we will continue to provide information on a rolling basis in order to avoid unnecessarily delaying production of information that is currently available to be produced.

Staff’s Fourth Supplemental Request Regarding the Loan Processing Script

Explain what generally happened to applications flagged for fraud by an EV, including what personnel reviewed those flagged applications and what personnel was responsible for determining or recommending the final outcome of those flagged applications. Please describe how the following people were involved in the review of applications flagged for fraud: Adam Spencer, Kristen Spencer, Barry Calhoun, Noah Spirakus, Nate Reis, and Stephanie Hockridge.

Response to Staff's Fourth Supplemental Request Regarding the Loan Processing Script

All applications completed on Blueacorn's online portal were reviewed by one of the hundreds of Eligibility Verifiers ("EVer") Blueacorn hired to conduct a manual check of submitted applications. Following their review of a PPP loan application, EVer were required to determine whether the applicant was eligible or ineligible. If an EVer determined an applicant was ineligible, the EVer was prompted to indicate or "flag" the reason for that determination. For example, in a number of cases, the EVer would flag that a loan could not be made because the application was missing necessary documentation, or the submitted documentation was blurry or unreadable. In such cases, Blueacorn would generally request that the applicant submit documentation correcting the deficiency. If an EVer determined that an applicant was ineligible due to concerns that the application appeared suspicious or fraudulent, they were instructed to flag the application for fraud. In most cases, these applications were simply failed, and the borrower was informed that Blueacorn could not move forward with processing their loan. In some cases, applications flagged for fraud were reviewed by Blueacorn's investigations team. This generally occurred when Blueacorn identified that a large number of applications were flagged by EVer for fraud for the same reason, and Blueacorn wanted to review those applications in more detail. In such cases, a member of the investigations team would review all information and materials submitted by the applicant, and use a tool in Salesforce to identify similar borrowers (*e.g.*, individuals listing the same address, phone number, or tax details). Applications identified by Blueacorn's investigations team as potentially fraudulent were then referred to the lenders for the ultimate decision on whether the loan should be denied or funded.

Staff's Supplemental Request for Loan Files (email dated June 15, 2022)

Please [produce] all communications and documents – including the Salesforce files (similar to the document produced in BA-PSI-0005457), Blueacorn Dashboard files (similar to the document produced in BA-PSI-0007989), and the Loan History (similar to the document produced in BA-PSI-0005456) – associated with the loans listed in Tab 1 and Tab 2 of the attached spreadsheet.

Response to Staff's Request for Loan Files

In further response to subcommittee staff's supplemental request for various loan files, Blueacorn is hereby providing to the subcommittee the loan files listed in the chart below. Additionally, Blueacorn, after diligently searching its records, has been unable to locate loan files for Juuice, LLC (\$20,832.00), [REDACTED] (\$19,807.00), [REDACTED] (\$17,500.00), and [REDACTED] (\$20,833.00). The Juuice and [REDACTED] loans were made by Prestamos before Blueacorn was Prestamos's lender service provider. The [REDACTED] loan appears from public records to have been issued by Cross River Bank, which is not a lender for which Blueacorn ever

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acted as a lender service provider. Finally, Blueacorn has not been able to identify any loan matching the supplied details of the [REDACTED] loan. The loan files being produced with this letter bear production bates number BA-SSCC-0003875 through BA-SSCC-0004561.

No.	Borrower Name	Date Approved	Address	Zip	Loan Amount
1	Elev8 Advisors Group LLC	N/A	[REDACTED]	85213	\$37,500.00*
2	Elevate Consulting LLC	02/07/2021	[REDACTED]	85251	\$20,832.00
3	[REDACTED]	05/20/2021	[REDACTED]	89044	\$20,833.00
4	Lincoln Jore	01/20/2021	[REDACTED]	85251	\$18,367.00
5	Men's Revival LLC	03/17/2021	[REDACTED]	85251	\$90,412.00
6	[REDACTED]	03/25/2021	[REDACTED]	85417	\$6,250.00
7	[REDACTED]	02/03/2021	[REDACTED]	85122	\$20,832.00
8	[REDACTED]	02/23/2021	[REDACTED]	85122	\$2,630.00
9	[REDACTED]	04/11/2021	[REDACTED]	95747	\$7,500.00
10	Sweet P Designs	03/03/2021	[REDACTED]	85213	\$19,555.00
11	Sweet P Designs	05/21/2021	[REDACTED]	85213	\$20,515.00

* * *

Some information provided in connection with this response is business-sensitive and, if released, would cause injury to Blueacorn. We have marked this letter and the enclosed materials "Confidential" and request that they not be disclosed beyond the Subcommittee or made public. If public release is contemplated, we request the opportunity to be heard before the proposed use.

Please feel free to have your staff contact us with any questions concerning this response.

* This loan application was withdrawn. The loan amount indicated represents only the applicant's requested loan amount, which the Blueacorn system generated after the applicant completed Blueacorn's online application process.

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Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Borden". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael E. Borden
Michael A. Levy

Enclosure

cc: Hon. Steve Scalise, Ranking Member



From: [REDACTED]@cov.com>

Sent: Friday, July 22, 2022 4:41 PM

To: [REDACTED]
[REDACTED]
[REDACTED]@cov.com>

Subject: RE: Phone Call Follow-Up

[REDACTED]

Please find below responses to your questions for Capital Plus.

Thanks,

[REDACTED]

1. What was the Capital Plus process for identifying ineligible applicants and preventing fraud related to PPP loan applications received from Blueacorn?

Blueacorn was the lending service provider for Capital Plus's PPP program, and Capital Plus relied on Blueacorn's technological solutions to determine borrower eligibility and combat fraud efficiently and at scale. Such arrangements allowed CDFIs like Capital Plus to reach a greater number of underserved borrowers and were encouraged by the SBA, which [notes](#) in its FAQ "that financial technology solutions can promote efficiency and financial inclusion in implementing the PPP." Throughout the PPP, Capital Plus worked closely with Blueacorn to enhance anti-fraud measures, including by running algorithms designed to find statistically improbable commonalities among applications and other potential indicia of fraud.

Additionally, if Capital Plus became aware of signs of fraud, such as a rejection of disbursed PPP funds by a borrower's bank, a law enforcement inquiry, or suspicious correspondence or requests from an applicant or borrower, Capital Plus worked with Blueacorn to conduct an investigation. If warranted, Capital Plus filed a SAR regarding the transaction.

2. How many PPP loan applications did Capital Plus receive from Blueacorn in 2021?

Blueacorn submitted a total of 521,221 loan applications to the SBA on behalf of Capital Plus. For 106,925 of those loans, the borrowers had originally applied through Womply.

a. **How many of these loan applications received a manual review by employees of Capital Plus to verify eligibility or to identify fraud?**

Capital Plus personnel reviewed loan applications and other materials upon becoming aware of some indication of fraud or ineligibility, including as part of the determination of whether to file a SAR. In general, Capital Plus does not maintain statistics regarding the number of PPP loan applications that were manually reviewed by Capital Plus personnel to verify eligibility or to identify fraud.

b. **How many of these loan applications were rejected, denied, or not submitted to the SBA at the direction of Capital Plus employees and due to suspicion of fraud or determinations of likely ineligibility? Please exclude incomplete applications from this total.**

Again, Capital Plus relied on Blueacorn's technological solutions to determine borrower eligibility and combat fraud, and Capital Plus worked closely with Blueacorn on enhancing those measures. Capital Plus was not assigned loan applications from Blueacorn until an applicant had gone through the Blueacorn eligibility determination and anti-fraud processes. If Capital Plus, or Blueacorn on behalf of Capital Plus, discovered indicia of fraud related to an application, including after the loan was approved by SBA but not yet successfully disbursed to a borrower, Blueacorn sent the applicant a request for further information. Capital Plus withdrew or canceled approximately 83,000 SBA-approved loans following a request for additional information from borrowers.

c. **Did Capital Plus keep any logs or other documentation recording the manual reviews conducted by Capital Plus personnel of loan applications received from Blueacorn?**

While Capital Plus does not maintain a comprehensive log of all individual loan applications manually reviewed by Capital Plus personnel, the company does log applications referred for investigation.

3. **In 2021, how many Capital Plus employees were dedicated full-time and exclusively to AML, BSA, eligibility verification, or fraud compliance, including those employed full-time to prevent, detect, or investigate potential fraud? How did that compare to 2019 and 2020?**

██████████ is the chief compliance officer for Capital Plus and has been with the company since 2017. Capital Plus, a non-bank lender, first made PPP loans in 2021. In 2021, Capital Plus brought on three individual compliance consultants to support Ms. ██████████ in PPP anti-fraud and compliance matters. Also in 2021, Capital Plus engaged Everett Advisory Partners to advise on and help implement Capital Plus's PPP anti-fraud and compliance programs. ██████████, who joined the company as a contractor in 2021, also helped oversee these programs for Capital Plus. Additionally, Blueacorn provided significant identity and eligibility verification and fraud compliance services as part of its role for Capital Plus.

4. **What were the total budgets for, and amounts allocated to, AML, BSA, eligibility verification, and fraud compliance at Capital Plus, on a per quarter basis, in 2019, 2020, and 2021, excluding amounts budgeted or allocated to third party contractors? Please include a breakdown of these expenses.**

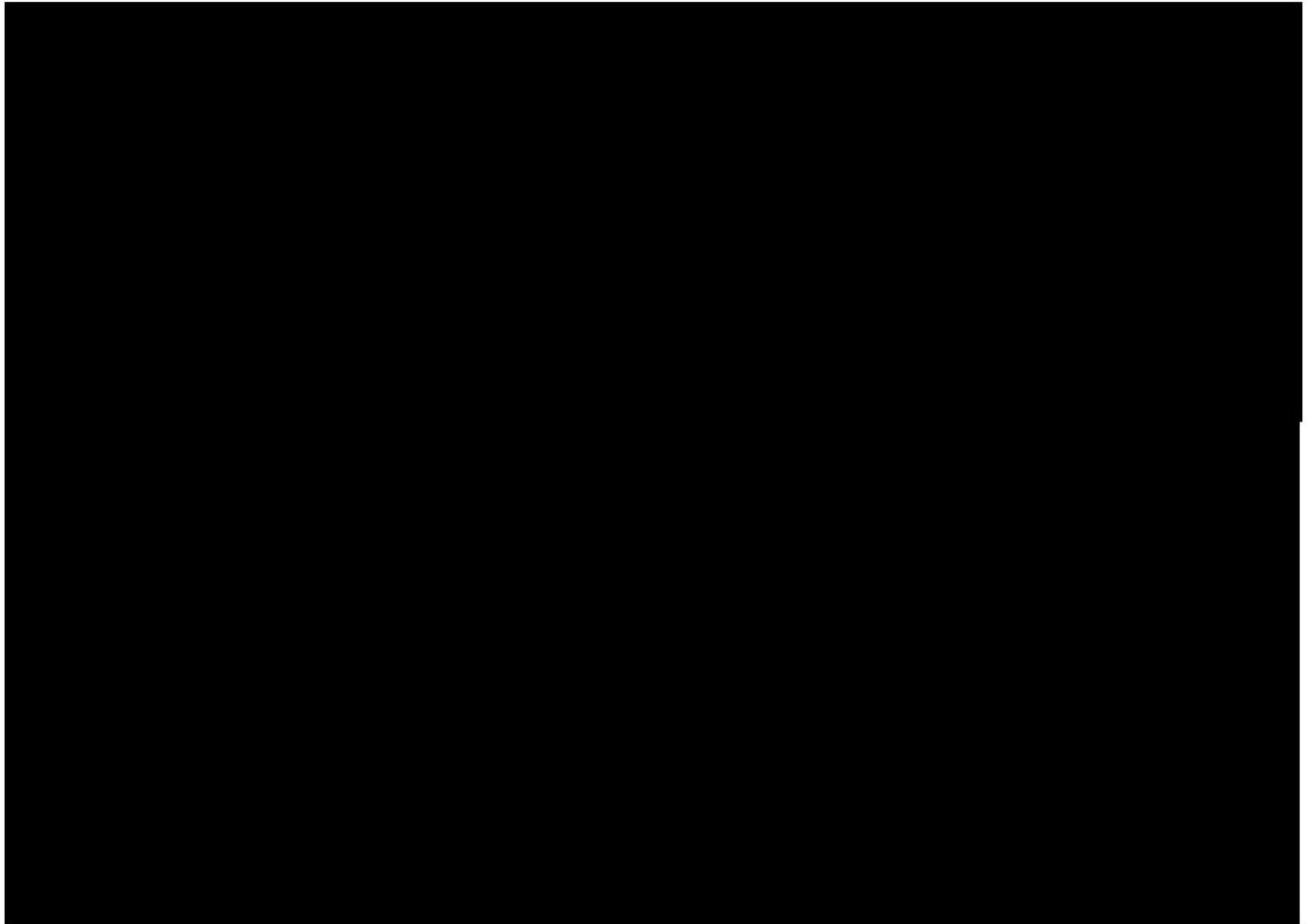
Capital Plus is a Community Development Financial Institution and a non-bank lender. Before 2021, the primary business of Capital Plus was making mortgage loans targeted at underserved communities in Texas. When, in 2021, Capital Plus began making PPP loans, it did not establish a limit on the amount the company would spend on AML, BSA, eligibility verification, and fraud compliance.

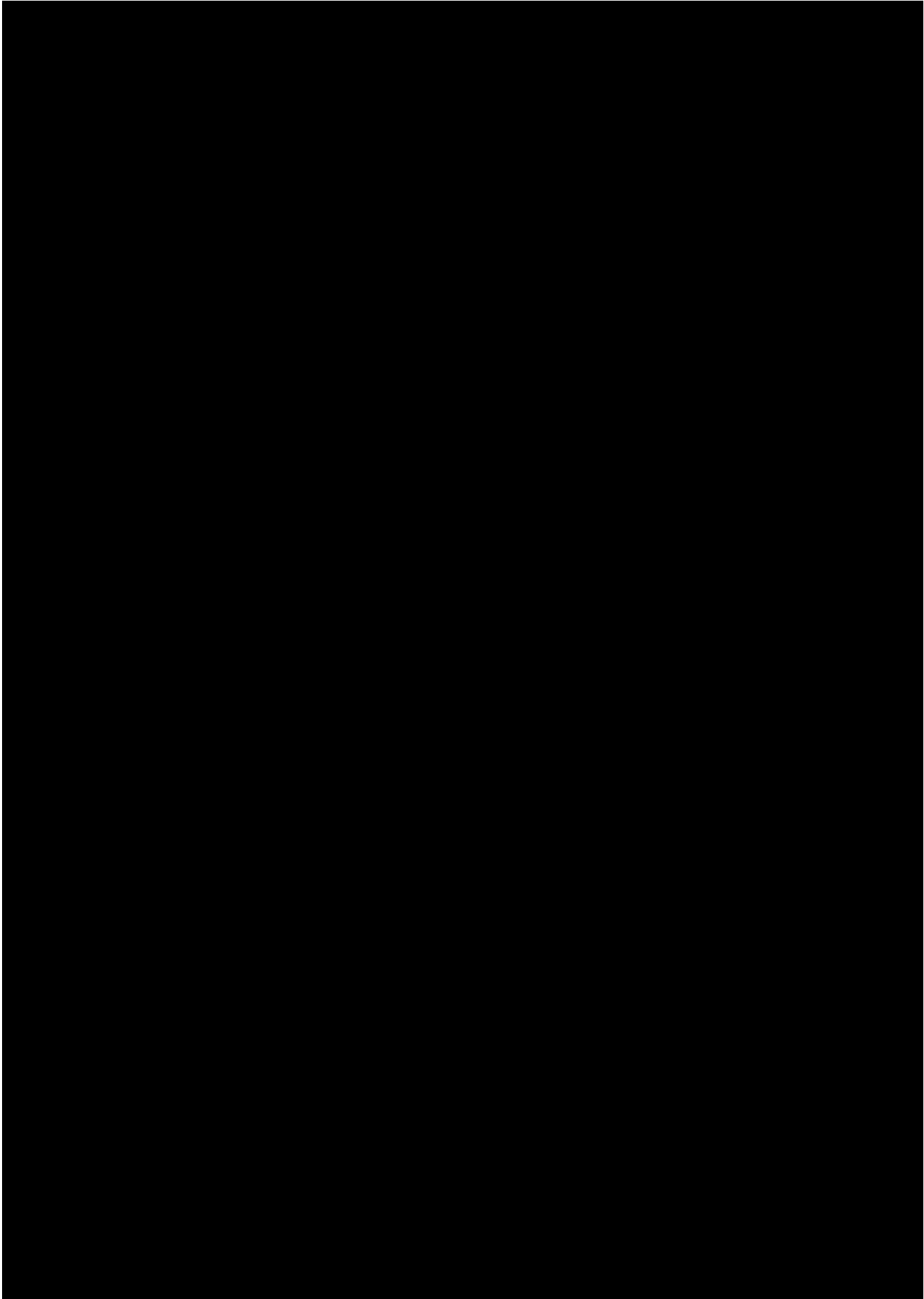
- 5. Did Capital Plus have any executive or senior leadership meetings concerning potential, suspected, or confirmed fraud or other financial crime related to PPP loans or loan applications that came from Blueacorn? If so, were minutes recorded and briefing materials retained?**

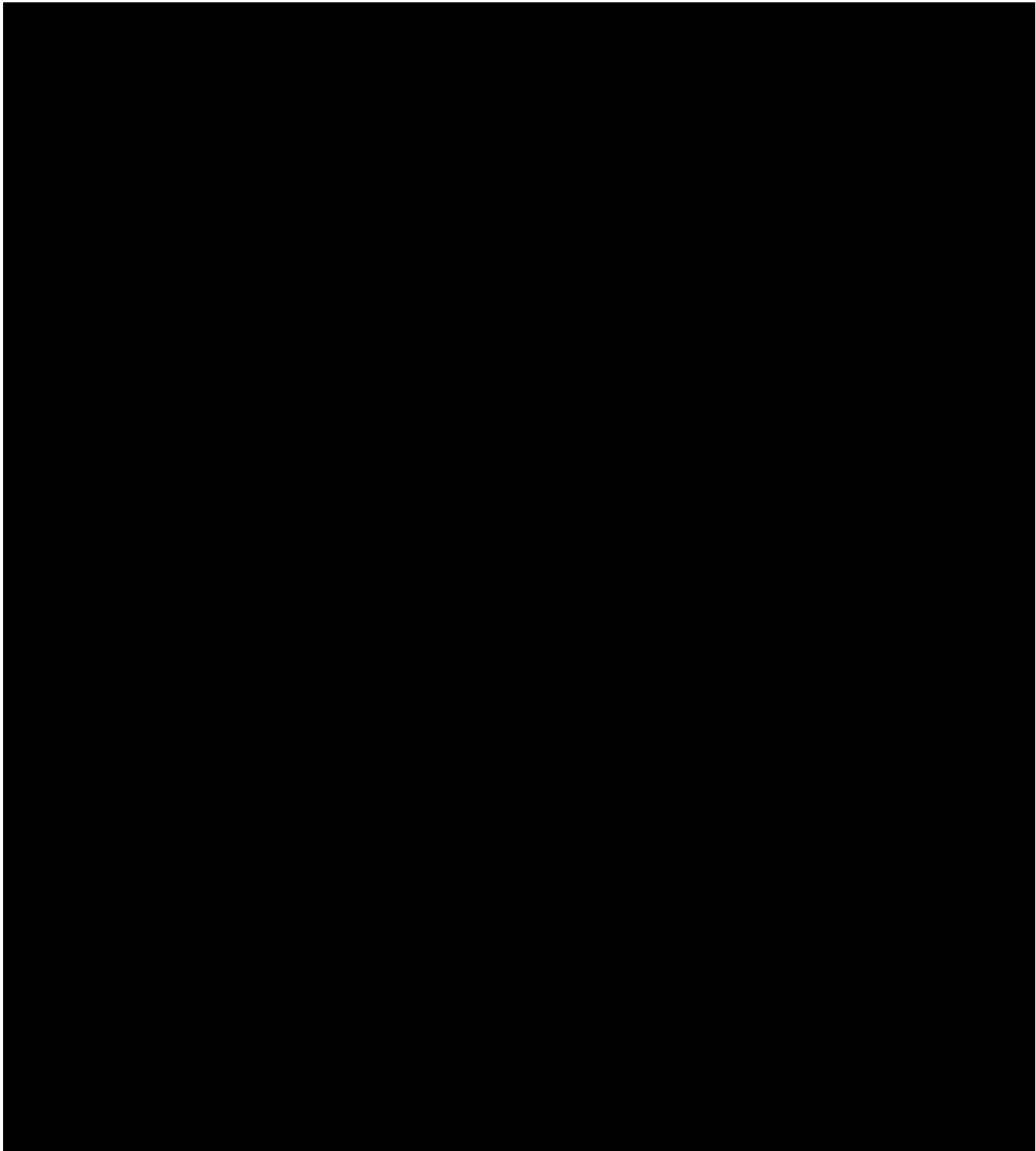
Capital Plus senior leadership regularly discussed combating potential fraud related to PPP loans and applications, including by reviewing, assessing, and revising formal and informal processes. Minutes of those calls were not kept.

- 6. Did Capital Plus conduct, or have a third-party conduct, any audits, assessments, or evaluations on the relationship with Blueacorn or Capital Plus's program to prevent PPP fraud?**

Capital Plus personnel regularly assessed and evaluated the PPP anti-fraud and compliance programs implemented by Capital Plus and Blueacorn, including during frequent teleconferences. Additionally, Everett Advisory Partners conducted audits and other assessments for Capital Plus, under privilege, regarding Capital Plus's anti-fraud and compliance programs, including those undertaken by Blueacorn on behalf of Capital Plus.







-----Original Message-----

From: [REDACTED] <[\[REDACTED\]@cov.com](mailto:[REDACTED]@cov.com)>

Sent: Thursday, May 19, 2022 9:35 PM

To: [REDACTED]
[REDACTED]

Subject: RE: Phone Call Follow-Up

[REDACTED]

Our understanding is that all of the 13 loans named in the April 26 letter and your April 29 follow-up email were processed using the Blueacorn system. As we previously noted, we produced to the SSCC only materials directly accessible by Capital Plus.

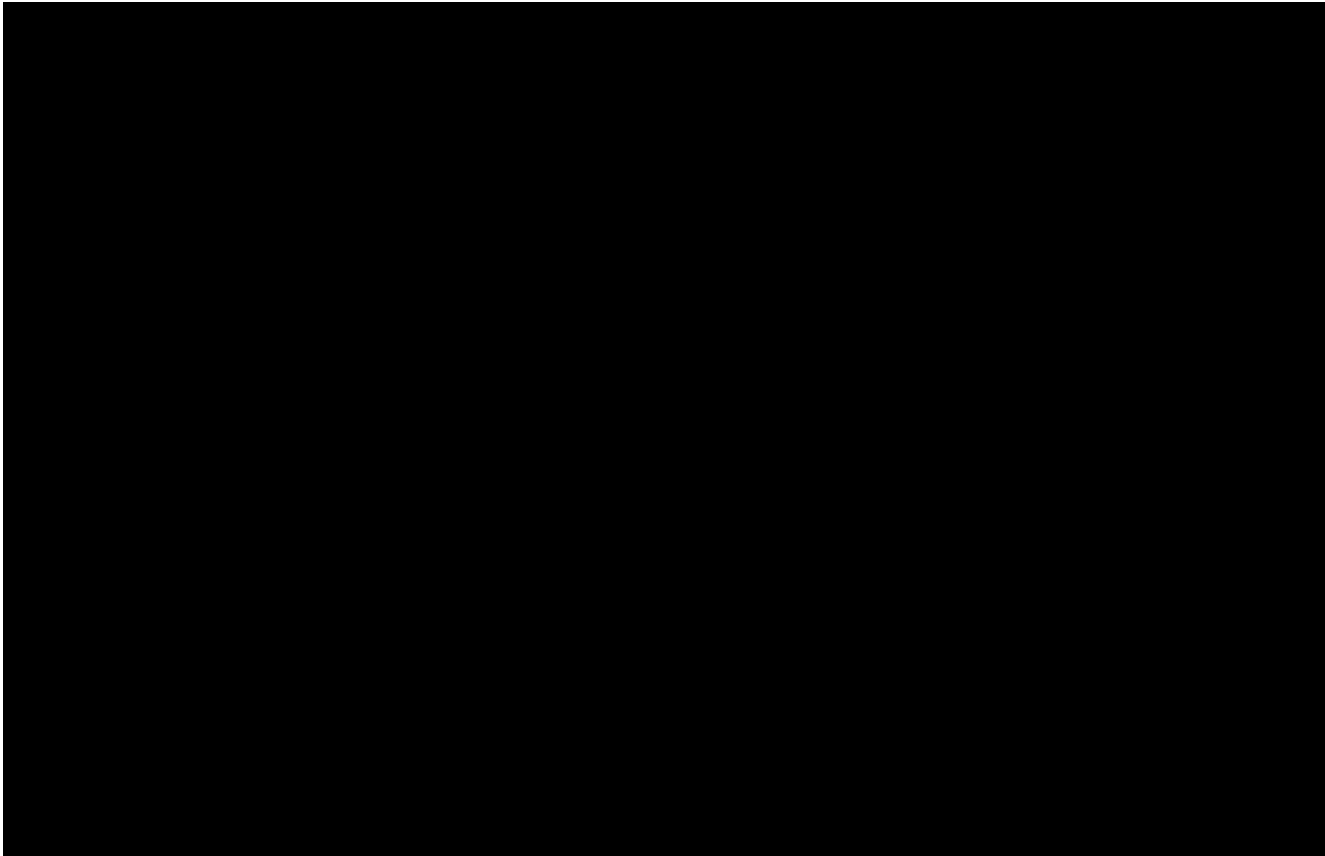
Based on records accessible to Capital Plus in the SBA lender portal, it appears that five of the loans named in the April 26 letter and your April 29 follow-up email were forgiven after the borrower applied for forgiveness directly with the SBA (loan numbers 6265518505, 2616498604, 3090888602, 6232778604, and 9150558608) and that four were forgiven after the borrower applied for forgiveness through the Blueacorn system (loan numbers 4818108404, 9383918501, 1688898600, and 8252298609).

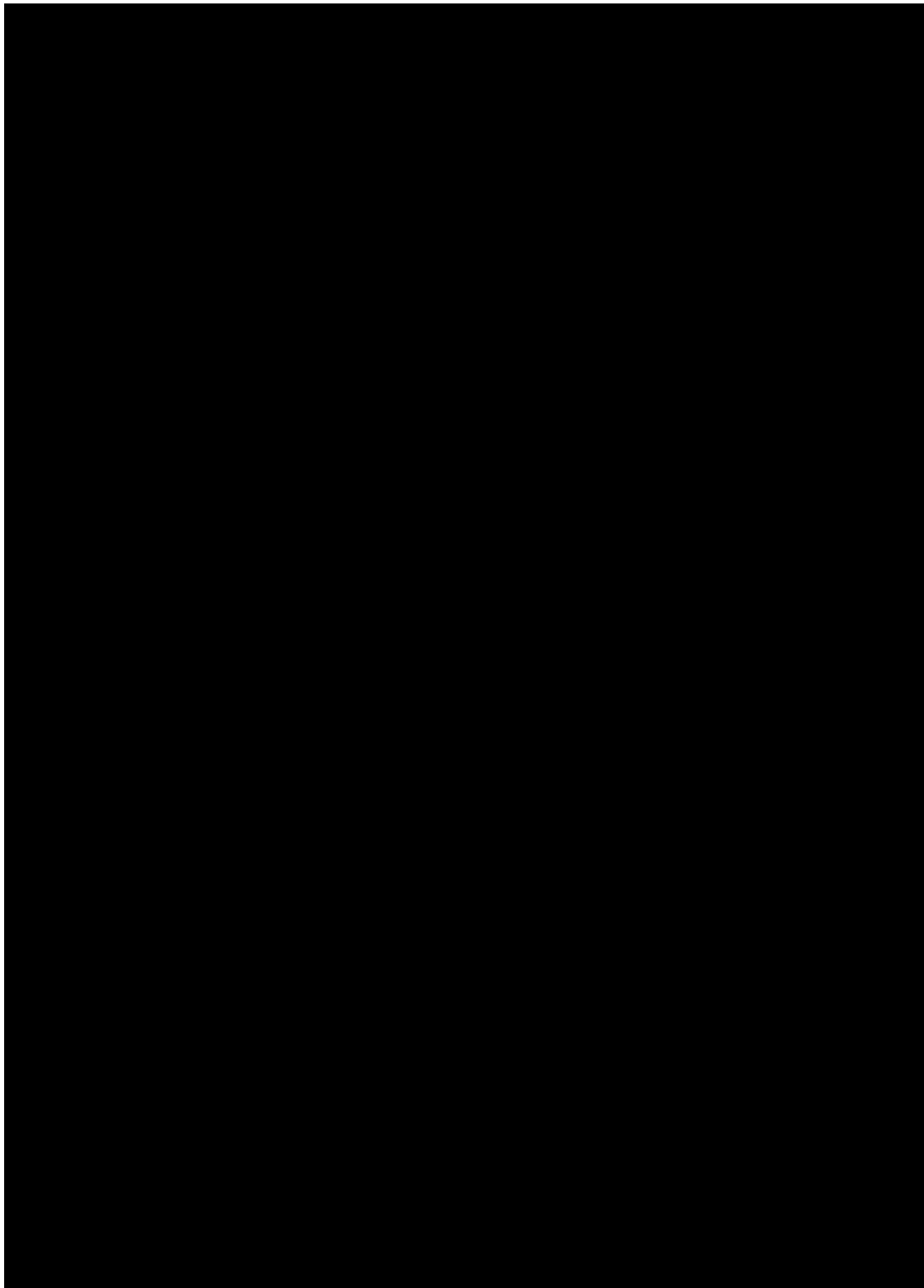
Regarding repayment of the loans to Nathan Reis, Stephanie Hockridge, Body Politix LLC, and Juuice, Inc., named in the April 26 letter, our understanding is that the request for repayment was initiated by Blueacorn. We further understand that Capital Plus is not currently planning to request that Adam Spencer or Kristen Spencer, both of whom are affiliated with Elev8 Advisors, repay the loans named in the April 26 letter.

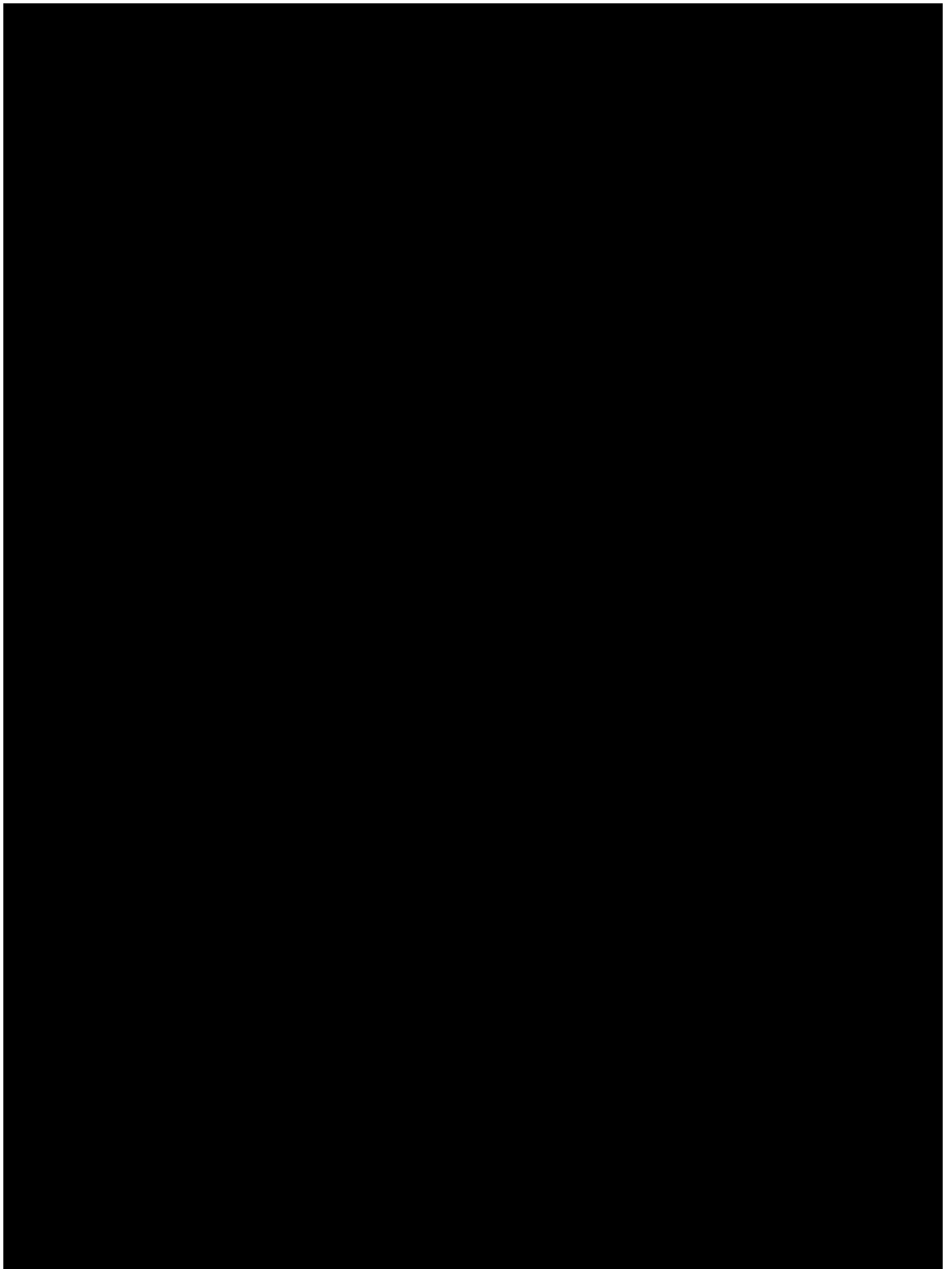
Additionally, we are planning to produce communications related to the repayment of the loans to Nathan Reis, Stephanie Hockridge, Body Politix LLC, and Juuice, Inc., by Tuesday.

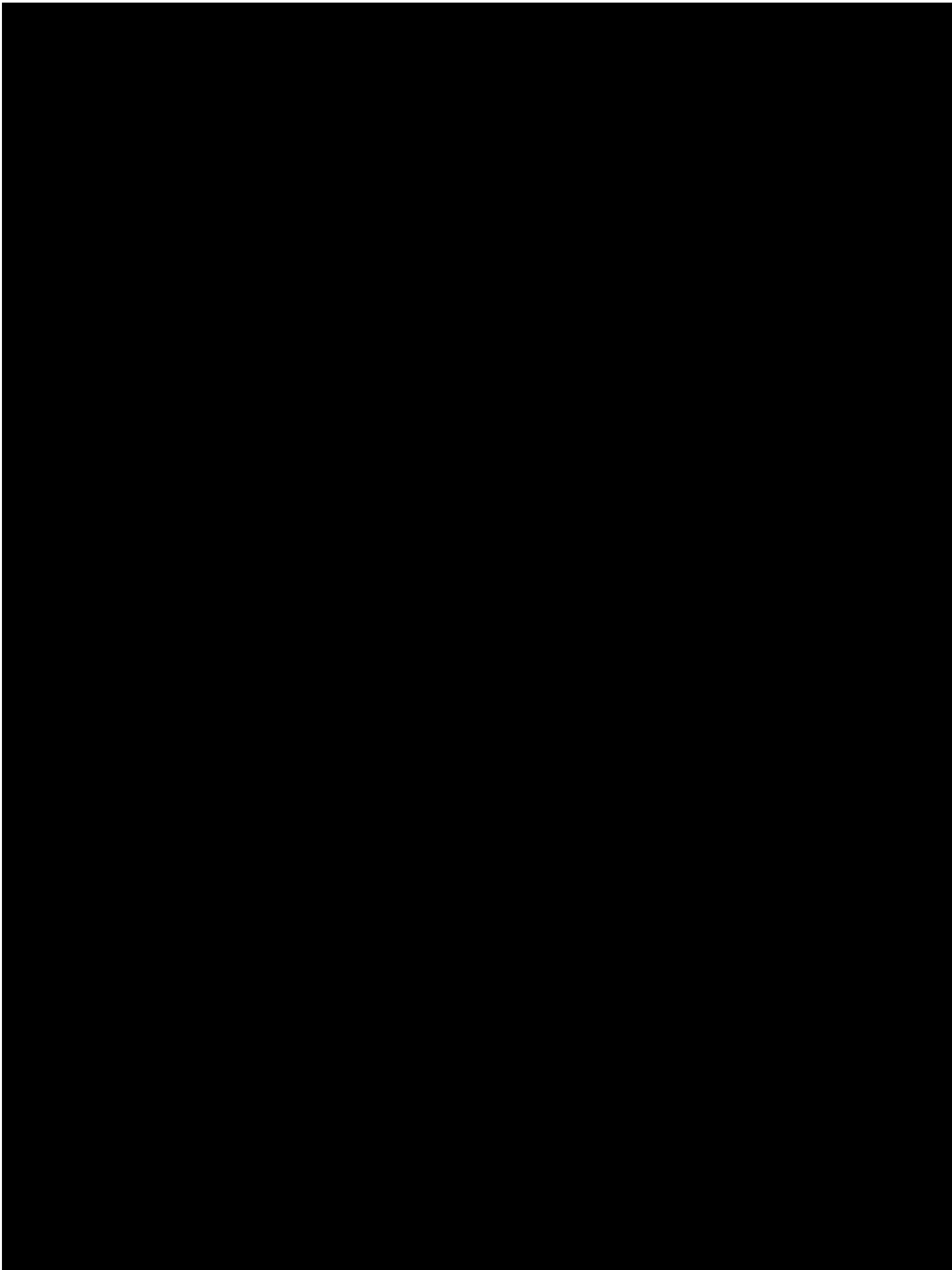
Thanks,

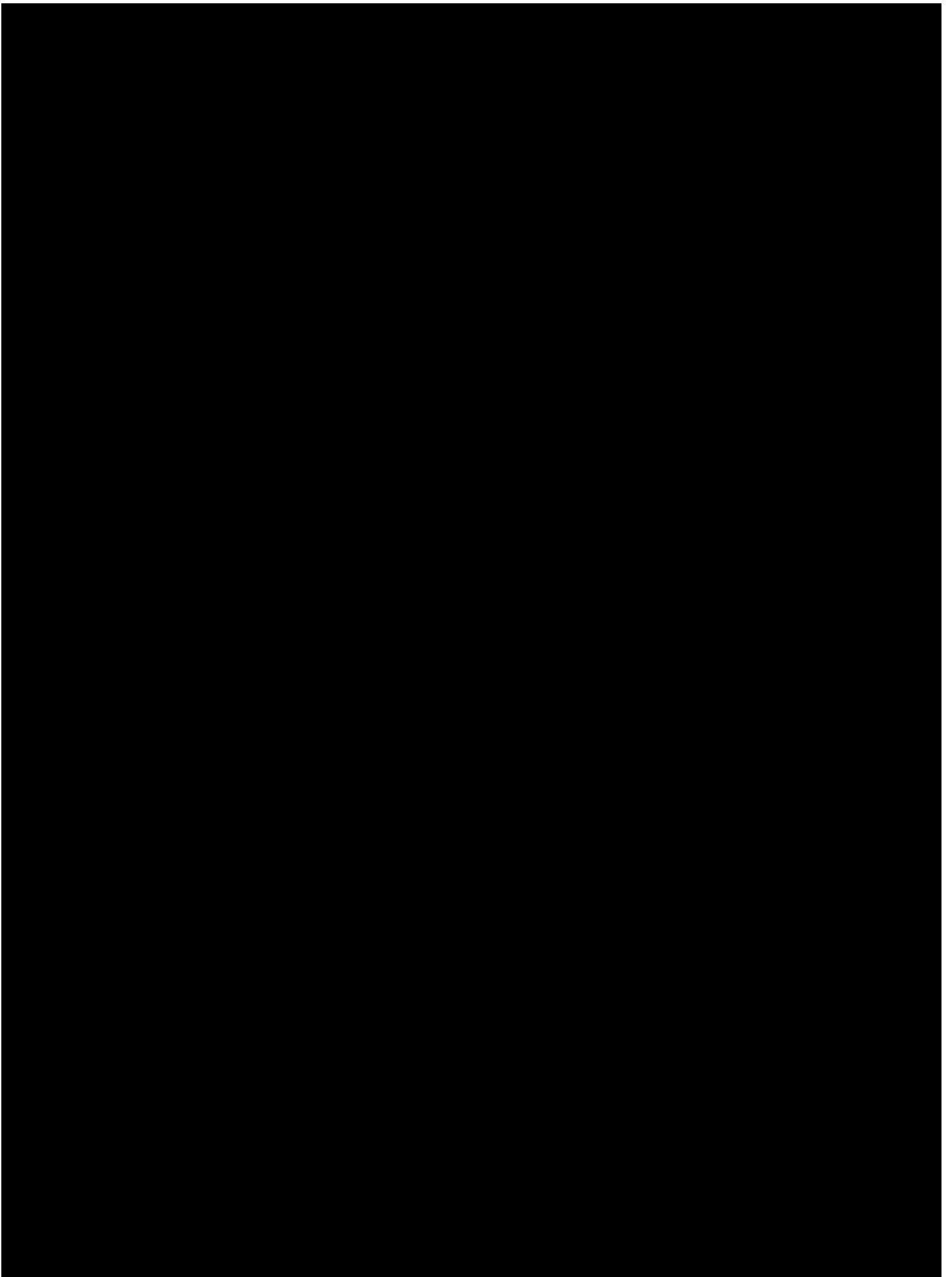
[REDACTED]

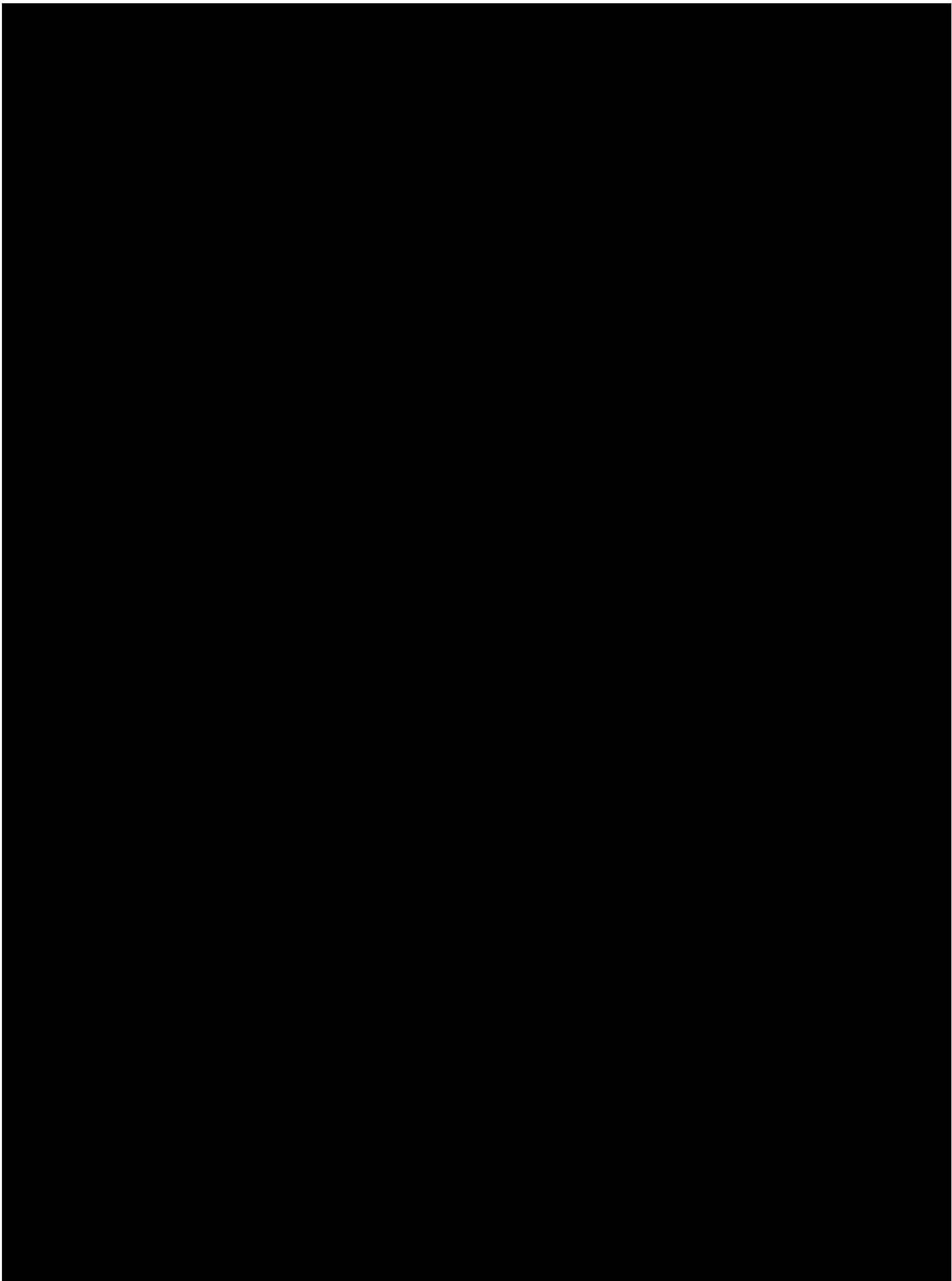


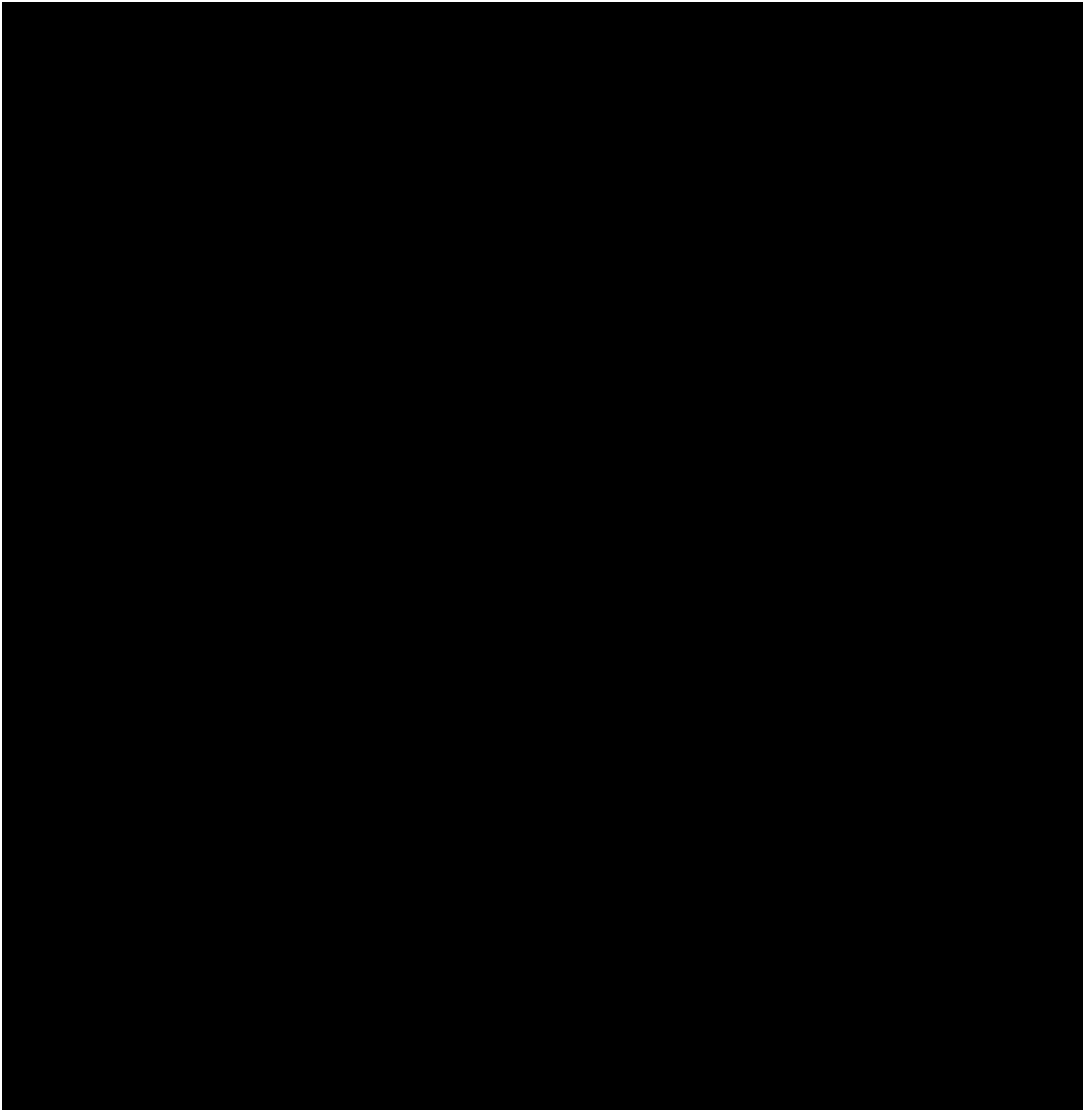














DLA Piper LLP (US)
500 Eighth Street, NW
Washington, DC 20004
www.dlapiper.com

August 18, 2022
VIA E-MAIL

CONFIDENTIAL - DRAFT

The Honorable James E. Clyburn
Chairman
Select Subcommittee on the Coronavirus Crisis
2157 Rayburn House Office Building
Washington, DC 20515-6143

Re: Response to U.S. House of Representatives Select Subcommittee on the Coronavirus Crisis

Dear Chairman Clyburn,

We are writing to update the response we submitted to the Select Subcommittee on April 25, 2022. This response provides additional information with respect to the Select Subcommittee's questions, in a letter dated April 7, 2022. In our April 25 response, we committed to provide additional information with respect to Questions 2, 4, and 5. In addition, based on recent discussions with the Select Subcommittee counsel, we include a written description of the use of prepaid debit cards. We will provide the information with respect to Question 2 in a supplemental response.

Information Request Question 4 – Additional Information – In our April 25 letter, we reported that Prestamos CDFI processed and funded approximately 434,000 PPP loans through the Blueacorn Platform. Based on additional information, we now understand the number of loans processed and funded through the Blueacorn Platform was approximately 439,622 (out of approximately 551,153 total loan applications submitted to the SBA) in Round 3 of the PPP. Question 4 asked how many loan applications were rejected or denied by Prestamos. Based on the most up to date data currently available from the SBA, that number is approximately 109,253. Accordingly, the number of loan applications not approved – either denied or withdrawn – was approximately 20% of the total number of loan applications processed through the Blueacorn platform. In addition to the Prestamos loan applications not approved, we understand Blueacorn also withheld approval of an additional large volume of Round 3 PPP loan applications based on its underwriting.

Information Request Question 5 – Additional Information – On April 25 we reported that, from April 2020 through May 28, 2021, Prestamos CDFI directly received and processed approximately 7,503 PPP applications using the SPARK Platform. From the total applications received, Prestamos CDFI approved and funded 3,146¹ PPP loans, including 925 PPP loans in 2020 and approximately 2,221 in 2021 (averaging about \$27,518 per loan). In total, about 57% of the PPP loans Prestamos CDFI processed

¹ Note that our original submission indicated that Prestamos funded 3,145 PPP loans through the SPARK system, but updated records show the number was 3,146 (one loan had mistakenly been labeled as a “test loan” in the database; that record has now been reclassified as an actual loan).



August 18, 2022

Page Two

directly between April 2020 and May 28, 2021 were either denied or withdrawn in the course of Prestamos CDFI's underwriting and identification, prevention, and mitigation of potential fraud.

Question 5 asked: "Of the loan applications that were submitted by Prestamos to the SBA, how many were rejected or denied by the SBA?" In addition, Select Subcommittee counsel asked that we provide the error codes that the SBA assigned as the basis for returning loans for further consideration. We do not have a comprehensive list of the error codes used by the SBA, but we enclose below a chart showing the error codes and descriptions the SBA assigned to various loans submitted for review by Prestamos CDFI.

We have reviewed the SBA's error codes on Prestamos CDFI loans during the months of March, April, and May 2021. During this three-month period, the SBA assigned error codes to 1,161 Prestamos CDFI loans. Five of the error codes (E07001, E0689, E00204, E0020, and E0017) indicated possible loan duplications or inconsistencies and instructed Prestamos CDFI to review the SBA's error codes with the borrowers and resubmit the loan applications, as appropriate. These five error codes were assigned to 889 Prestamos CDFI loans, 77% of the loans for which the SBA assigned error codes were assigned for the months of March, April, and May 2021. The chart below summarizes the SBA error codes associated with loan applications submitted in those months.

Error Message	Code
['Our automated routines have determined that it is likely that this business has already applied for a PPP loan; please validate with your Borrower and resubmit as appropriate. Error: E07001']	E07001
['The PPP First Draw SBA Loan Number cannot be verified; please validate with your Borrower that the First Draw SBA Number is disbursed and in the appropriate status within ETRAN. Error: E0017']	E0017
['You are likely seeing this message because your first PPP Loan was booked under an SSN or EIN Type that is not the same as the loan you are now attempting to enter. These values must match for your submission to move forward. Please follow the correction instructions on the (platform) resources section entitled: Tax ID Changes in ETRAN. Error: E0020']	E0020
['Please ensure you are applying to the SBA as a second draw. We have detected that you are attempting to process this loan as a First Draw and our system detected that you already have a PPP Loan. Error: E00204']	E00204
['Our automated routines have determined that the supplied PPP First Draw Loan Number has been used previously. Please verify the information with the borrower and resubmit. Reference Error: E0689']	E0689
['Our automated routines have determined that Business TIN is likely invalid. Error: E01041']	E01041
['Our automated routines have determined that ITIN is likely invalid. Error: E0136']	E0136
Please provide a valid NAICS code	No code
{"business":{"date_of_establishment":["This field may not be null."],"status_code":400}}	400



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['Our automated routines have determined that there is likely a problem with the principal ownership percentage. Please ensure that the ownership percentage for this business type equals 100%. Error E0196']	E0196
['Our automated routines have determined that there is a mismatch between business SSN and principal SSN. Please ensure that the correct SSN is used for both the business and principal. Error E0095']	E0095
['For a Second Draw PPP Loan, you must provide the First Draw (or original PPP) loan number. Reference Error: E0004']	E0004
['Our automated routines have determined that you have utilized a PO Box for the Business Address. The SBA and Form 2483 do not support the entry of a PO Box for purposes of PPP. Please update this address and resubmit your loan. Error E02743']	E02743
['Confirm the PPP First Draw Loan Amount is correct. Error: E0018']	E0018
['For the NAICS code provided, the Loan Amount must be less than or equal to 2.5x the Average Monthly Payroll. Please check the calculation and resubmit. Reference Error: E0003']	E0003
['Our automated routines have determined that there is a mismatch between business SSN and principal SSN. Please ensure that the correct SSN is used for both the business and principal. Error E0096']	E0096
['Our automated routines have determined that there is a mismatch between business TIN/SSN and Borrower TIN/SSN. Please ensure that the correct TIN/SSN type is selected for the business and all principals. Error E0094']	E0094
['Please select at least one Loan Purpose. Error: E0021']	E0021
{"business":{"phone_number":["This field may not be null.],"date_of_establishment":["This field may not be null."],"status_code":400}}	400
{"business":{"phone_number":["This field may not be null."],"status_code":400}}	400
['Our automated routines have determined that the loan amount is likely inaccurate. Please verify that the loan amount requested is less than or equal to 2.5x the Average Monthly Payroll. Please check the calculation and resubmit. Reference Error: E0303']	E0303
{"business":{"owners":[{"address_line_1":["This field may not be null.],"city":["This field may not be null.],"state":["This field may not be null.],"zip_code":["This field may not be null."]}]},"status_code":400}}	400
Business Owner Information Must be Provided	No code
['Email address must be provided and be less than 80 characters. Error E00743']	E00743
['Our automated routines have determined that the number of employees is likely inaccurate. Please verify the number of employees for this business and resubmit. Error E0059']	E0059
['You are attempting to duplicate an owner/TIN. Error: E0034']	E0034



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{"average_monthly_payroll":["Ensure this value is greater than or equal to 1."],"status_code":400}	400
{"business":{"zip_code_plus4":["Numeric Values Required"]},"status_code":400}	400
Business Date Error, then PPP number error, now EIN mismatch error	No code
Need EIN 04/08/2021 EIN entered in Spark	No code
Our automated routines have determined that it is likely that this business has already applied for a PPP loan; please validate with your Borrower and resubmit as appropriate. Error: E07001'	E07001

In our experience, describing the SBA’s action as a “rejection” or “denial” often may be a misnomer. The SBA conducted a second level of review of each PPP loan application and, as the error code descriptions above show, the SBA often did not reject or deny a loan. Instead, the SBA instructed Prestamos CDFI to validate the loan information with the borrower, taking account of the issue indicated by the SBA’s error code, and then resubmit the loan application where possible.

The reason we refer to the SBA process as a second level of review in the compliance process, rather than a loan rejection or denial, is that Prestamos CDFI did not have the ability to detect the duplications or inconsistencies referenced in many of the error codes. For example, Prestamos CDFI could not determine whether borrowers had already received a PPP loan from another source. The SBA detected these issues and referred them back to Prestamos CDFI for further eligibility verification with borrowers. Where SBA codes indicated borrowers had already received a loan from another source, Prestamos CDFI would then disapprove the loan application.

The following summary provides information in addition to that provided in our April 25 letter, categorizing the reasons why Prestamos CDFI either declined or withdrew PPP loans processed through the SPARK platform. Again, the SPARK total of loan applications submitted was 7,503, the total number approved was 3,146, and the total number not approved was 4,358 (*i.e.*, approximately 57% of loan applications were not approved).

Prestamos PPP Processing Summary

Status	Qty
Not Funded	3,575
Processed and Funded	3,146
Declined	782
Total Applications Received	7,503

Declined Loans

Reason	Count
--------	-------



August 18, 2022

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Not Eligible	312
Questionable Docs	227
Unresponsive	99
Duplicate	76
Other	68
Total Declines	782

Withdrawn PPP Packages

Withdrawn Reason	Qty
Unresponsive	2200
Other	561
Not Eligible	307
Lost Bid to Competitor	241
Duplicate	187
Questionable Docs	71
No Longer Needed	8
Total Withdrawn PPP	3575

Description of Prepaid Debit Cards – Based on recent discussions with Select Subcommittee counsel, we provide the following information describing the use of prepaid debit cards. As previously described, Prestamos CDFI executed an LSPA with Blueacorn on April 14, 2021. The SBA announced on May 4 that PPP funds had been exhausted and stopped accepting most PPP loan applications. Applications by CDFI borrowers were accepted and funded through existing dedicated funding until June 30.

Throughout this period, Prestamos CDFI originated over 439,000 PPP loans, working with Blueacorn pursuant to the LSPA. Most of those loans, once approved, were funded through ACH payments from borrowers' bank accounts. 13,343 approved PPP loans were funded through a second method of payment instituted by Blueacorn, prepaid debit cards. Blueacorn contracted with an established vendor (Dash) to provide PPP funds to certain borrowers. We understand that most prepaid debit cards were issued after a number of banks decided as a policy matter that they would not accept any ACH payments funding PPP loans (those banks included Dave Bank, Greendot, etc.) or when banks declined ACH payments for otherwise eligible borrowers. Prestamos CDFI understood that the use of prepaid debit cards had become a common payment method in the private sector and in certain government programs, including the Supplemental Nutrition Assistance Program. In fact, Prestamos CDFI received messages from SBA personnel during the course of the PPP seeking to expedite the issuance of prepaid cards to borrowers who contacted SBA about their delays in receiving their card.



August 18, 2022

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Subcommittee counsel has requested we provide information about whether prepaid debit cards were used to pay loans approved by the SBA, but for which a bank had raised questions. Prestamos CDFI understands that prepaid debit cards were used in that circumstance 13,343 times. The cards were authorized by Blueacorn and provided by Dash.


As we understand it, prepaid debit cards were provided to approved PPP borrowers in a number of circumstances. Initially, cards were issued when banks refused ACH payments for approved PPP SBA-loan applications. At the start of Round 3 of the PPP, in such cases, Blueacorn indicated that they would review and address any errors (e.g., transposed account numbers, etc.) and seek to reissue an ACH payment, which would be submitted for re-approval to Prestamos CDFI. If the bank continued to refuse payment once any account number errors were corrected, a prepaid Dash card would be issued to the borrower. If the error related to something more substantial than an account number typo, the borrower's application/eligibility would be reviewed again. Only once the account was reviewed and determined to be eligible, would the transfer be resubmitted for approval by Prestamos CDFI and a prepaid Dash card issued.

As the PPP progressed, Blueacorn reported to Prestamos CDFI that every loan for which an ACH transfer was refused by the recipient bank would be subjected to enhanced verification procedures, even for transfers refused for account number errors. Where the enhanced verification procedures confirmed the applicant's eligibility and resolved any account number issues, then another ACH transfer would be attempted.


Eventually, Blueacorn began issuing prepaid Dash cards after an initial ACH transfer was unsuccessful and the eligibility and identity of the borrower reconfirmed.

Near the end of Round 3 of the PPP, Blueacorn started issuing prepaid Dash cards following a bank's refusal of an ACH transfer and after enhanced re-verification of the borrower's eligibility and identity. That process was also followed for borrowers that were customers of the banks that refused any ACH payments for PPP loans as a matter of policy.

Respectfully submitted,



John A. Merrigan/s



Matthew C. Bernstein/s

Enclosures

cc: The Honorable Steve Scalise, Ranking Member



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AMERICA • ASIA PACIFIC • EUROPE

September 9, 2022

CONFIDENTIAL

VIA EMAIL

The Honorable James E. Clyburn
Chairman
Select Subcommittee on the Coronavirus Crisis
2157 Rayburn House Office Building
Washington, DC 20515

Re: Production in Response to Subcommittee Request Letter

Dear Chairman Clyburn:

We are writing on behalf of Blueacorn PPP, LLC (“Blueacorn”) in response to your November 22, 2021 letter asking for information regarding Blueacorn’s Paycheck Protection Program (“PPP”) loan processing activities.

In accordance with the agreement between Blueacorn and Subcommittee staff that Blueacorn should provide its responses on a rolling basis, we are submitting this response to the supplemental request that the Subcommittee staff conveyed by email on August 22, 2022. As previously discussed with the staff, certain of the original and supplemental requests that the staff has identified as priorities will take longer to respond to than others, so we will continue to provide information on a rolling basis in order to avoid unnecessarily delaying production of information that is currently available to be produced.

Staff’s August 22, 2022 Supplemental Request

Could you please provide the full name, most recent contact information, Blueacorn employment dates and roles, employment history, and a summary of any other relevant qualifications of Carrie Lawson?

Response to Staff’s August 22, 2022 Supplemental Request

[REDACTED] worked for Blueacorn from March 2021 to November 2021. During her time at Blueacorn as an Operations Management Consultant, Ms. [REDACTED] managed

SIDLEY

Page 2

Blueacorn's investigation team. In this role, Ms. [REDACTED] oversaw a team charged with investigating potentially fraudulent activity brought to Blueacorn's attention by Blueacorn's internal triggers, inquiries from the SBA or from an applicant's bank, subpoenas from law enforcement or other government agencies, or specific allegations of fraud from the public. Ms. [REDACTED] also helped Blueacorn develop customer support processes and trained a customer support team of more than 50 agents.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Ms. [REDACTED]'s contact information is as follows:

- [REDACTED]
[REDACTED]
[REDACTED]

Please note that when we spoke to Ms. [REDACTED] in connection with obtaining the foregoing information, she expressed a desire that we represent her in connection with this matter. Subject to agreement on the terms of the engagement, we expect to do so, as we would for other current and former Blueacorn officers and employees. Accordingly, please direct any inquiries concerning Ms. [REDACTED] to us.

* * *

Some information provided in connection with this response is business-sensitive and, if released, would cause injury to Blueacorn. We have marked this letter and the enclosed materials "Confidential" and request that they not be disclosed beyond the Subcommittee or made public. If public release is contemplated, we request the opportunity to be heard before the proposed use.

Please feel free to have your staff contact us with any questions concerning this response.

Sincerely,



Michael E. Borden
Michael A. Levy

Enclosure

cc: Hon. Steve Scalise, Ranking Member

Loan History

18 items • Sorted by Date • Updated a few seconds ago

	Date	Field	User	Original Value	New Value
1	4/6/2021, 6:18 PM	Substatus	[REDACTED]	Funding - Disbatched	Funding - Funded
2	3/30/2021, 8:43 AM	Substatus	Noah Spirakus	Funding - Claimed	Funding - Disbatched
3	3/29/2021, 11:44 AM	Substatus	Noah Spirakus	Funding - Ready	Funding - Claimed
4	3/28/2021, 11:55 PM	Substatus	Integration User	Docs - Sent	Funding - Ready
5	3/28/2021, 9:01 AM	Substatus	DocuSign Blueacorn	Docs - Ready	Docs - Sent
6	3/28/2021, 8:52 AM	Status	[REDACTED]	SBA	Backoffice
7	3/28/2021, 8:52 AM	Substatus	[REDACTED]	Docs - Queued	Docs - Ready
8	3/26/2021, 12:35 PM	Substatus	Noah Spirakus	SBA Approved	Docs - Queued
9	3/25/2021, 5:40 AM	SBA Loan Number	[REDACTED]		8467298606
10	3/25/2021, 5:40 AM	SBA Status	[REDACTED]	Under Review	Approved by SBA
11	3/25/2021, 5:40 AM	Substatus	[REDACTED]	SBA Submitted	SBA Approved
12	3/22/2021, 10:33 PM	SBA Status	[REDACTED]	Pending Validation	Under Review
13	3/22/2021, 9:27 PM	Status	Spencer	Underwriting	SBA
14	3/22/2021, 9:27 PM	SBA Status	Spencer		Pending Validation
15	3/22/2021, 9:27 PM	Substatus	Spencer	Underwriting In Progress	SBA Submitted
16	3/22/2021, 9:27 PM	Underwriter	Spencer		Jarred Spencer
17	3/22/2021, 9:27 PM	Substatus	Spencer	Underwriting Ready	Underwriting In Progress
18	3/21/2021, 10:14 PM	Created.	GBA API		



[Redacted]

+ Follow

Edit

New Task

Primary Applicant

[Redacted]

Loan Number

BA-20106014

Loan Amount

\$ [Redacted]

Partner Code

paynerd

Status

Backoffice

Substatus

Funding - Funded

Summary

PPP Calculator

Owners

Docusign

Audit Trail

Economics

Phoenix View

Loan Number

BA-20106014

Loan Type

PPP - 1st Draw

Account

[Redacted]

(/lightning/r/0014x00000HTtwuAAD/view)

Loan Amount

[Redacted]

Primary Applicant

[Redacted]

Average Monthly Payroll

[Redacted]00

Processor

Status

Backoffice

Underwriter

[Redacted] Spencer

(/lightning/r/0054x000005E8SuAAK/view)

Substatus

Funding - Funded

Age ⓘ

291.73

Funding Status

Borrower Received

Withdraw Reason

PrepaidFunding Status

Withdrawn Loan
Ticket Number

SBA 147 Com-
pleted Date

3/28/2021

Reconciliation
IDL

SBA 2484 Com-
pleted Date

3/28/2021



P_pledge_and_advance_request
Financial.xlsx

+ Follow

Edit

New Task

Backoffice Information

Primary Applicant

Loan Number

Loan Amount

Partner Code

Status

Substatus



BA-20106014



paynerd

Backoffice

Funding - Funded

Prepaid Card

BankBatchDay

3/28/2021

IsPrepaidFlagge
d

SBABatchId

Current EV
User?

IsProxyFlagged

DocsBatchId

2021-03-25.1

Is Fraud Held

DocsBatchOldId
s

Flagged for
Investigation

PreppedForMov
e

Ach File Id

Reconciliation
Group

Bank Statement
Errors

Reconciliation
IDL File

Drivers License
Errors

210730.6-c

Reconciliation
1502 File

211028-c

Rec
Trac



+ Follow

Edit

New Task

RecBankDay

Primary Applicant

Loan Number

Loan Amount

Partner Code

Status

Substatus

[Redacted]

BA-20106014

\$ [Redacted]

paynerd

Backoffice

Funding - Funded

Notes

Underwriting
Notes

Missing

Underwriting
Reject Detail

ProcessorNotes

Underwriting
Reject Reason

Borrower Notes

Underwriting
Flagged Reason

Automation
Notes

Business, Employees & Compensation

Has Employees?

No

Total Payroll

Has Employees
Who Make
100k?

Yes

Amount Over
\$100K

How Many Employees Over \$100K

1

HasOwnerOnPayroll

Allowed PPP Payroll Amount

\$0

+ Follow

Edit

New Task

Schedule C Primary Applicant

Loan Number

Loan Amount

Partner Code

Status

Substatus

[Redacted]

BA-20106014

[Redacted]

paynerd

Backoffice

Funding - Funded

Schedule C Line 7 - 2019

\$ [Redacted]

Schedule C Line 7 - 2020

\$0.00

Schedule C Line 31 - 2019

\$ [Redacted]

Schedule C Line 31 - 2020

\$0

SBA

SBA Application Id

SBA Status

Approved by SBA

Lender Application Number

SBA Decision Date

3/24/2021

SBA Slug

9b7833b5-4856-4c5f-b541-3876c78f9b4e

SBA Loan Number

8467298606

Funding Lender

Capital Plus

SBA Errors

Loan Audit

Pre-Audit Loan Amount

Pre-Audit SBA Number Issued?

Audited Loan Amount

Pre-Audit Docs Signed?

Audit Amount Difference

[Redacted]

+ Follow

Edit

New Task

Primary Applicant

Loan Number

Loan Amount

Partner Code

Status

Substatus

[Redacted]

BA-20106014

[Redacted]

paynerd

Backoffice

Funding - Funded

Partner Code

paynerd

Agent Code

IntakeSource

phoenix

Affiliate Code

blueppp

Phoenix

PhxBankAccountThroughPlaid

No

PhxScheduleCType

Document

PhxBankAccountNameLookup

PhxScheduleCDraft_revenue

phx: Oldest Transaction

Total Expenses

\$0

PPP - First Draw

PPP In Round 1 ⓘ

No

PPP Round 1 Lender

PPP Round 1 Amount

SBA Loan Number - First Draw

PPP - Second Draw

PPP Second Draw?

No

Has Reduction In Gross Receipts



Period 1 Quarter



[Redacted]

Period 2 Quarter

+ Follow

Edit

New Task

Period 1 Revenue

Period 2 Revenue

Primary Applicant

Loan Number

Loan Amount

Partner Code

Status

Substatus

[Redacted]

BA-20106014

[Redacted]

paynerd

Backoffice

Funding - Funded

Applicant Wont Receive Another 2nd Draw



Owners

Borrower

[Redacted]

(/lightning/r/0034x00000E4C2WAAV/view)

Borrower 1 Ownership %

100

Borrower 2

Borrower 2 Ownership %

Borrower 3

Borrower 3 Ownership %

Borrower 4

Borrower 4 Ownership %

Borrower Email

[Redacted]@gmail.com

Business Name

[Redacted]

Primary Applicant Phone

[Redacted]

Purpose of Loan

Purpose Of Loan - Utilities

Purpose Of Loan - Payroll



Purpose Of Loan - Worker



[Redacted]

Purpose Of Loan - Operations Expenses

+ Follow

Edit

New Task

Primary Applicant

[Redacted]

Loan Number
BA-20106014

Loan Amount

[Redacted]

Purpose Of Loan - Supplier Costs

Status
Backoffice

Substatus
Funding - Funded

Purpose Of Loan - Other Info

Purpose Of Loan - Mortgage

Disclosures

Ineligible - General



Applicant Is Eligible



Ineligible - Bad Loan



Loan Request Is Necessary?



Yes

Ineligible - Criminal Charges



Has Other Businesses?



No

Ineligible - Felony



All US Employees?



Yes

No Shuttered Venue Grant



▼ Docusign

DocuSign Status

Bank1502Day

Nu [redacted]
CU [redacted]
rec [redacted]

DocuSign Completed Date

+ Follow

Edit

New Task

2

Primary Applicant

Loan Number

Loan Amount

Partner Code

Status

Substatus

[redacted]

BA 20106014

[redacted] 0

Baynerd

Backoffice

Funding - Funded

GBA API
(/lightning/r/0054x000005EFS3AAO/view)
, 3/21/2021, 10:14 PM

[redacted]
(/lightning/r/0054x000005ECfHAAW/view)
, 11/12/2021, 1:14 PM

New Task

Create a task...

Add

Filters: All time • All activities • All types



Refresh • Expand All • View All(/runtime_sales_activities/activityViewAll.app?parentRecordId=a094x000002bPWoAAM)

▼ Upcoming & Overdue

No next steps.

To get things moving, add a task or set up a meeting.

No past activity. Past meetings and tasks marked as done show up here.

Business Details



Account Name

[redacted]




Legal Structure

Sole Proprietorship (Unregistered)



DBA Name

NAICS Code

TIN 	[Redacted]	812,111	State of Formation
Taxpayer ID Type	SSN	Date of Formation	12/10/2018
Emp	1	Franchise	No
		+ Follow Edit New Task	
[Redacted]	Loan Number	Loan Amount	Partner Code
[Redacted]	BA-20106014	[Redacted]	paynerd
			Status
			Backoffice
			Substatus
			Funding - Funded

SBA Submission

NAICS Tools [Show](#)

Primary Applicant

Name	[Redacted]	Title	Owner
Mobile	[Redacted]	Birthdate	[Redacted]
Email	[Redacted]@gmail.com [Redacted]@gmail.com	Social Security Number	[Redacted]
Mailing Address	[Redacted]		
	United States		

Bank Account



Bank Routing Number

Name on Bank Account

Bank Account Number

+ Follow

Edit

New Task

Notes Activity

Primary Applicant

Loan Number

Loan Amount

Partner Code

Status

Substatus

BA-20106014

paynerd

Backoffice

Funding - Funded

Post

Share an update...

Share



Search this feed...



The image shows a Salesforce record page for a loan. The record details are as follows:

Field	Value
Primary Applicant	[Redacted]
Loan Number	BA-20106014
Loan Amount	[Redacted]
Partner Code	paynerd
Status	Backoffice
Substatus	Funding - Funded

Decorative elements include a sun icon in the top right, clouds, and trees. A navigation bar at the top right contains buttons for '+ Follow', 'Edit', and 'New Task'. At the bottom of the record view, there is a call to action: 'Collaborate here!' followed by the text 'Here's where you start talking with your colleagues about this record.'

Paycheck Protection Program Loan Processing Script



blue
acorn

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[Breaking Down the Fields in the Phoenix View Underwriter Tab](#)

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[Editing Information in the Loan Application](#)

[Working Through Loans](#)

[Identification: Does the name match the Phoenix Data](#)

[Schedule C: Does the name phoenix data?](#)

[Bank Statement: Is there a date within the range of December 1st 2019 to March 31st 2020 \(as of 4/16\) on the bank statement? Is the applicant's name or DBA name on the statement? Is the bank name \(and Logo for larger banks\) on the statement?](#)

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[Appendix D: Fraudulent Identification](#)

[Appendix E: Fraudulent Schedule Cs](#)

[Appendix F: Fraudulent Bank Statements/ or not a bank statement](#)

[Appendix: G IP Address Fraud](#)

[Appendix H: Miscellaneous FAQ](#)

[Appendix I: How to correct mistakes in Salesforce Forward all mistake to \[REDACTED\] or \[REDACTED\]](#)

[Appendix J: Enhanced Diligence Team](#)

[Appendix K: Quality Check Team](#)

[Appendix L: Daily Updates \(Please add the newest updates ABOVE old updates.\)](#)

Welcome EVers

Welcome to Blueacorn's Paycheck Protection Program project. This project involves processing loan applications submitted to the SBA for the Paycheck Protection Program (PPP), a program passed by the federal government to ensure that businesses can pay their employees during the Covid-19 crisis.

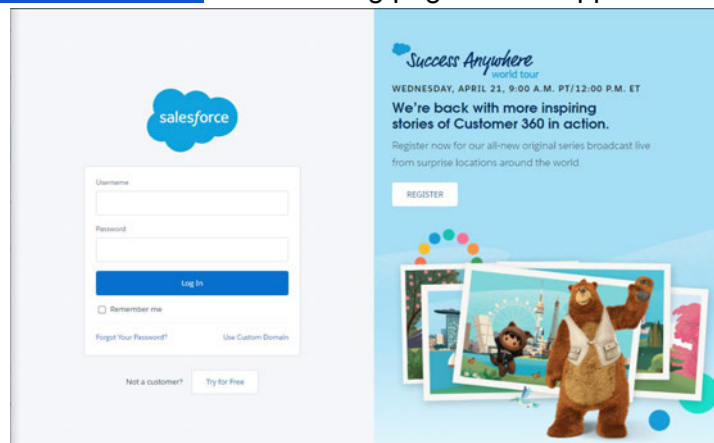
This document will serve as a primary resource for processing loans throughout the project. The table below displays important information regarding the project.

Getting Started

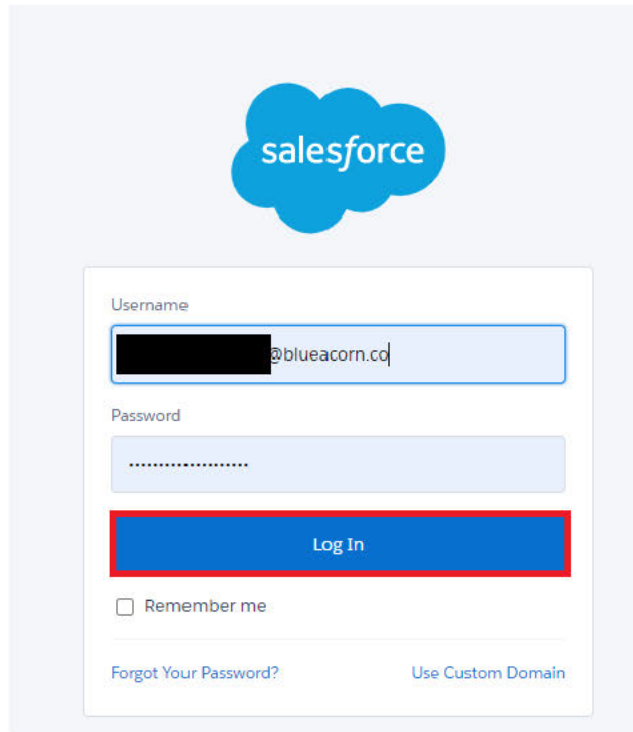
In this section, we will walk through accessing Salesforce, setting up Salesforce in Sales Console View, creating your personal queue, and getting started on loans.

Accessing Salesforce

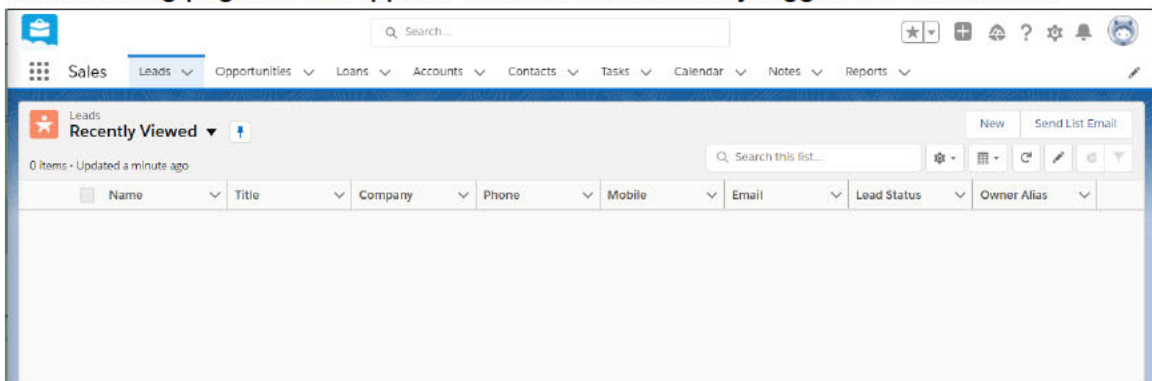
1. Navigate to the Salesforce Login page using the following URL: <https://login.salesforce.com/> The following page should appear.



2. Enter your Blue Acorn username and password, and click the **login** button.

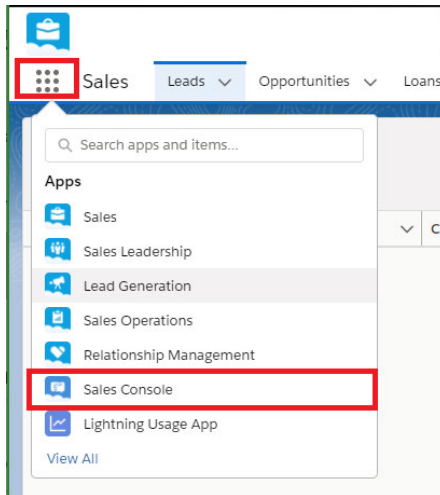


3. The following page should appear. You have successfully logged into Salesforce!

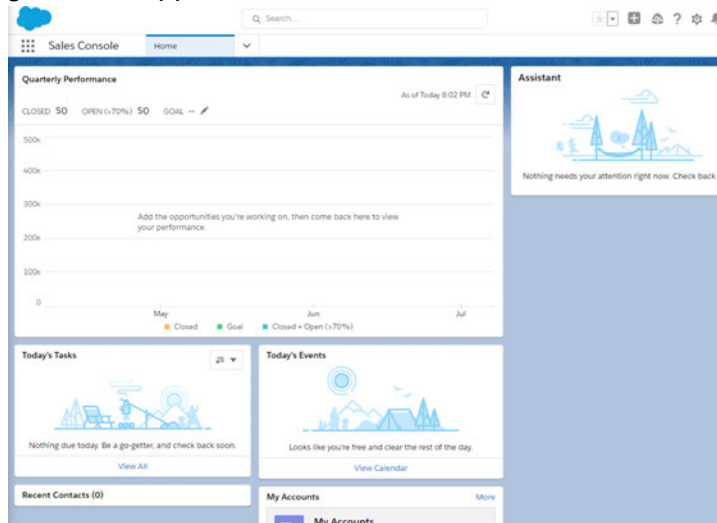


Setting up Salesforce in Sales Console View

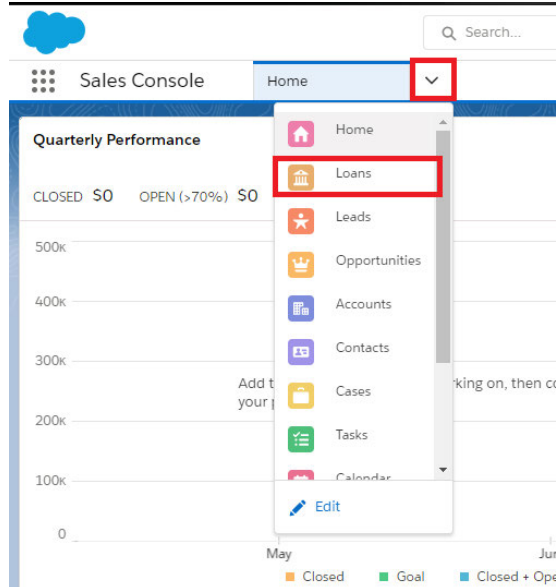
1. Select the **9 Dots** listed in the upper left corner of the window. Select **Sales Console** from the dropdown menu.



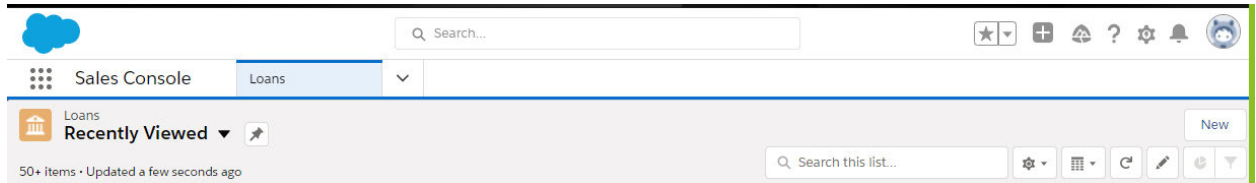
2. The following page should appear.



3. Select the **dropdown arrow** next to the Home tab. Select **Loans**.

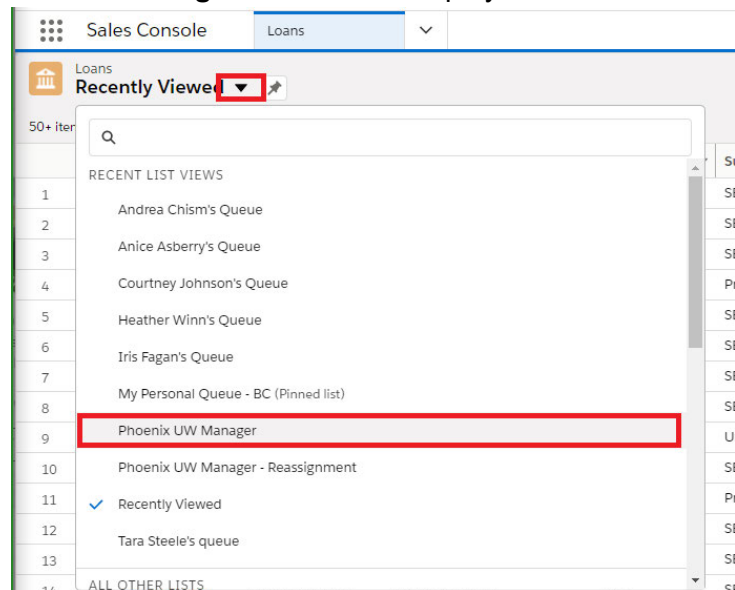


- The menu bar at the top of the page should match the picture shown below. You have now entered Sales Console View!



Setting Up Your Personal Loan Queue

- Once in the Loans tab in Sales Console View, select the dropdown arrow shown below, and select **Phoenix UW Manager** from the list displayed.



- The following page should appear.

	C...	Loan Number	Acc...	Pri...	Int...	Pr...	U...	Par...	Sta...	S...	Loa...	Las...
1	<input type="checkbox"/>	3/... BA-20082789	Sa...	Sa...	ph...		pay...	Un...	U...	PP...	4/...	
2	<input type="checkbox"/>	3/... BA-20100793	Lar...	Lar...	ph...		Ja...	Un...	U...	PP...	4/...	
3	<input type="checkbox"/>	3/... BA-20153760	jaie...	jaie...	ph...		Ja...	blu...	Un...	U...	PP...	4/...
4	<input type="checkbox"/>	3/... BA-20164072	Col...	Col...	ph...		O...	blu...	Un...	U...	PP...	4/...
5	<input type="checkbox"/>	3/... BA-20166537	BE...	BE...	ph...		U...	pay...	Un...	U...	PP...	4/...
6	<input type="checkbox"/>	3/... BA-20168709	Joe...	Joe...	ph...		U...	pay...	Un...	U...	PP...	4/...
7	<input type="checkbox"/>	3/... BA-20169905	Jer...	Jer...	ph...		Sy...	blu...	Un...	U...	PP...	4/...
8	<input type="checkbox"/>	3/... BA-20171161	Eid...	Eid...	ph...		Sy...	blu...	Un...	U...	PP...	4/...
9	<input type="checkbox"/>	3/... BA-20171761	La...	La...	ph...		B...	blu...	Un...	U...	PP...	4/...
10	<input type="checkbox"/>	3/... BA-20176827	Ter...	Ter...	ph...		M...	blu...	Un...	U...	PP...	4/...
11	<input type="checkbox"/>	3/... BA-20183481	Co...	Co...	ph...		Ja...	blu...	Un...	U...	PP...	4/...
12	<input type="checkbox"/>	3/... BA-20187023	Am...	Am...	ph...		Ja...	pay...	Un...	U...	PP...	4/...
13	<input type="checkbox"/>	3/... BA-20190117	La...	La...	ph...		et...	blu...	Un...	U...	PP...	4/...
14	<input type="checkbox"/>	3/... BA-20191292	Lis...	Lis...	ph...		d...	blu...	Un...	U...	PP...	4/...

- Select the dropdown arrow next to **The Gear Icon**, and select **clone** from the dropdown menu.

The screenshot shows the Phoenix UW Manager interface. At the top, there is a search bar and navigation icons. Below that, the 'Loans' section is active, displaying a table of loan items. A 'LIST VIEW CONTROLS' menu is open on the right side of the table, with the 'Clone' option highlighted in a red box. The table contains columns for various loan attributes and a list of 12 items.

	C...	Loan Number	Acc...	Pri...	Int...	Pr...	U...	Par...	Sta...	S...	
1	3/...	BA-20082789	Sa...	Sa...	ph...			pay...	Un...	U...	
2	3/...	BA-20100793	Lar...	Lar...	ph...		Ja...	blu...	Un...	U...	
3	3/...	BA-20153760	jale...	jale...	ph...		Ja...	blu...	Un...	U...	
4	3/...	BA-20164072	Col...	Col...	ph...		O...	blu...	Un...	U...	
5	3/...	BA-20166537	BE...	BE...	ph...		U...	pay...	Un...	U...	
6	3/...	BA-20168709	Joe...	Joe...	ph...		U...	pay...	Un...	U...	
7	3/...	BA-20169905	Jer...	Jer...	ph...		Sy...	blu...	Un...	U...	
8	3/...	BA-20171161	Eld...	Eld...	ph...		Sy...	blu...	Un...	U...	
9	3/...	BA-20171761	La...	La...	ph...		B...	blu...	Un...	U...	
10	3/...	BA-20176827	Ter...	Ter...	ph...		M...	blu...	Un...	U...	
11	3/...	BA-20183481	Co...	Co...	ph...		Ja...	blu...	Un...	U...	PP... 4/...
12	3/...	BA-20187023	Am...	Am...	ph...		Ja...	blu...	Un...	U...	PP... 4/...

- The *Clone List View* window should appear. In the *List Name* box, enter “My Personal Queue” followed by your initial and click **Save**.

The screenshot shows a 'Clone List View' dialog box overlaid on the loan list. The dialog has a title bar 'Clone List View' and a text input field for the list name containing 'My Personal Queue [insert initials here]'. Below the input field, there are three radio button options for sharing settings: 'Only I can see this list view' (selected), 'All users can see this list view', and 'Share list view with groups of users'. At the bottom right of the dialog, there are 'Cancel' and 'Save' buttons, with the 'Save' button highlighted in a red box.

- The following page should appear. Click on the **Filter** icon on the right side of the page.

Sales Console | Loans | Underwriting Activit... x

Loans My Personal Queue MB

50+ Items • Sorted by Created Date • Filtered by All loans • Substatus, IntakeSource • Updated 5 minutes ago

	C...	Loan Number	Acc...	Pri...	Int...	Pr...	U...	Par...	Sta...	S...	Loa...	Las...
1	3/...	BA-20040230	Aar...	Aar...	ph...			blu...	Un...	U...	PP...	4/...
2	3/...	BA-20086686	Vel...	Vel...	ph...	Je...	pay...	Un...	U...	PP...	4/...	
3	3/...	BA-20100793	Lar...	Lar...	ph...	Ja...	blu...	Un...	U...	PP...	4/...	
4	3/...	BA-20145611	ma...	ma...	ph...	st...	blu...	Un...	U...	PP...	4/...	
5	3/...	BA-20153760	jale...	jale...	ph...	Ja...	blu...	Un...	U...	PP...	4/...	
6	3/...	BA-20164072	Col...	Col...	ph...	O...	blu...	Un...	U...	PP...	4/...	
7	3/...	BA-20166537	BE...	BE...	ph...	U...	pay...	Un...	U...	PP...	4/...	
8	3/...	BA-20169905	Jer...	Jer...	ph...	Sy...	blu...	Un...	U...	PP...	4/...	
9	3/...	BA-20171161	Eid...	Eid...	ph...	Sy...	blu...	Un...	U...	PP...	4/...	

6. The following page should appear. Select **Add Filter**.

Filters

Filter by Owner
All loans

Matching all of these filters

Substatus
equals Underwriting In Progress,
Underwriting Ready

IntakeSource
equals phoenix

Add Filter Remove All

Add Filter Logic

7. The following page should appear. Select the **New Filter** box. For the *Field* box, ensure that **Underwriter** is selected from the dropdown menu. For the *value* box, enter your full first and last name (NOTE: This must be your full name spelled correctly). Select the **Done** button.

Updated 11 minutes ago

Filters

Filter by Owner
All loans

Matching all of these filters

Substatus
equals Underwriting In Progress,
Underwriting Ready

IntakeSource
equals phoenix

New Filter*

Field
Underwriter

Operator
equals

Value
Mary Bilbray

Done

Add Filter Remove All

Add Filter Logic

8. Select **Save**.

Cancel Save

Filter by Owner
All loans

Matching all of these filters

Substatus
equals Underwriting In Progress,
Underwriting Ready

IntakeSource
equals phoenix

Underwriter*
equals Mary Bilbray

Add Filter Remove All

Add Filter Logic

9. Congratulations. You have successfully made your personal queue. (Note: it will likely be empty at first unlike the example here.)

Loans
My Personal Queue MB

4 items • Sorted by Created Date • Filtered by All loans • Underwriter, Substatus, IntakeSource • Updated a few seconds ago

Search this list...

	C...	Loan Number	Acc...	Pri...	Int...	Pr...	U...	Par...	Sta...	S...	Loa...	Las
1	<input type="checkbox"/>	4/... BA-20600853	Jan...	Jan...	ph...		M...	blu...	Un...	U...	PP...	4/...
2	<input type="checkbox"/>	4/... BA-20601864	Vic...	Vic...	ph...		M...	pay...	Un...	U...	PP...	4/...
3	<input type="checkbox"/>	4/... BA-20626196	Eni...	Tai...	ph...		M...	pay...	Un...	U...	PP...	4/...
4	<input type="checkbox"/>	4/... BA-20626283	Ale...	Ale...	ph...		M...	blu...	Un...	U...	PP...	4/...

Filters

Filter by Owner
All loans

Matching all of these filters

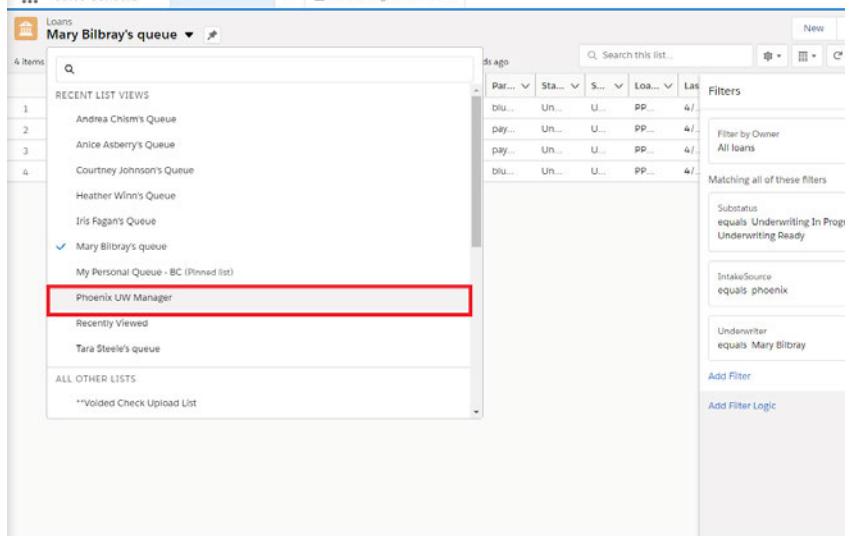
Substatus
equals Underwriting In Progress,
Underwriting Ready

IntakeSource
equals phoenix

Underwriter

Getting Started on Loans

1. Your personal queue should be empty at first. To access loans, first go to the **Phoenix UW Manager** in the Loans dropdown menu.

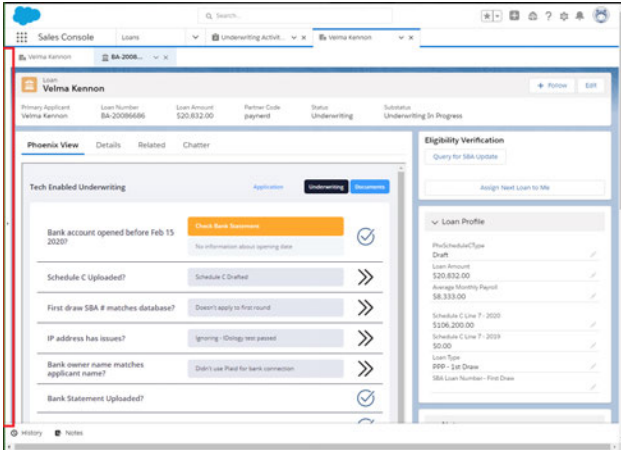


2. Select any **Loan Number** from the Loan Number column.

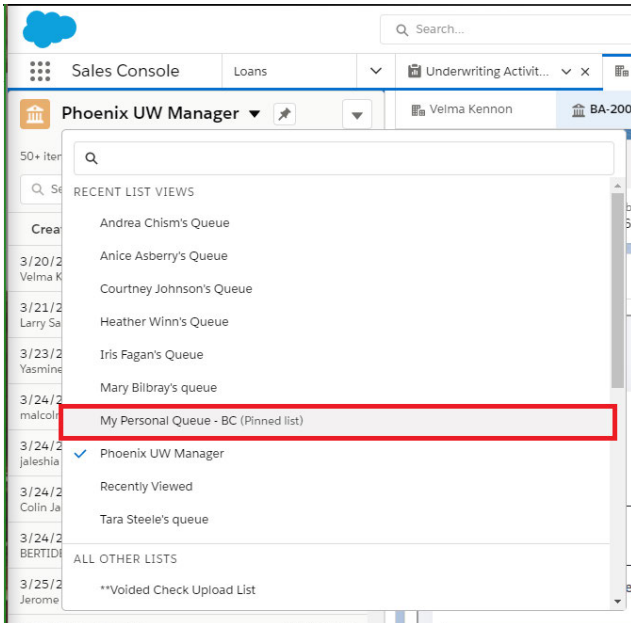
The screenshot shows the 'Phoenix UW Manager' Loans page. The page title is 'Phoenix UW Manager' and it displays 50+ items. The table is sorted by Created Date and filtered by All loans - Substatus, IntakeSource. The 'Loan Number' column is highlighted with a red box. The table has columns for C..., Loan Number, Acc..., Pri..., Int..., Pr..., U..., Par..., Sta..., S..., and Loa... The data rows show loan numbers and various status codes.

	C...	Loan Number	Acc...	Pri...	Int...	Pr...	U...	Par...	Sta...	S...	Loa...
1	3/...	BA-20086686	Vel...	Vel...	ph...		Je...	pay...	Un...	U...	PP...
2	3/...	BA-20100793	Laf...	Laf...	ph...		Ja...	blu...	Un...	U...	PP...
3	3/...	BA-20145611	ma...	ma...	ph...		st...	blu...	Un...	U...	PP...
4	3/...	BA-20153760	jale...	jale...	ph...		Ja...	blu...	Un...	U...	PP...
5	3/...	BA-20164072	Col...	Col...	ph...		O...	blu...	Un...	U...	PP...
6	3/...	BA-20166537	BE...	BE...	ph...		U...	pay...	Un...	U...	PP...
7	3/...	BA-20169905	Jer...	Jer...	ph...		Sy...	blu...	Un...	U...	PP...
8	3/...	BA-20171161	Eid...	Eid...	ph...		Sy...	blu...	Un...	U...	PP...
9	3/...	BA-20171761	La...	La...	ph...		B...	blu...	Un...	U...	PP...
10	3/...	BA-20176827	Ter...	Ter...	ph...		M...	blu...	Un...	U...	PP...
11	3/...	BA-20180454	Ti...	Ti...	ph...			blu...	Un...	U...	PP...
12	3/...	BA-20184277	Flo...	Flo...	ph...			blu...	Un...	U...	PP...
13	3/...	BA-20187023	Am...	Am...	ph...		Ja...	pay...	Un...	U...	PP...

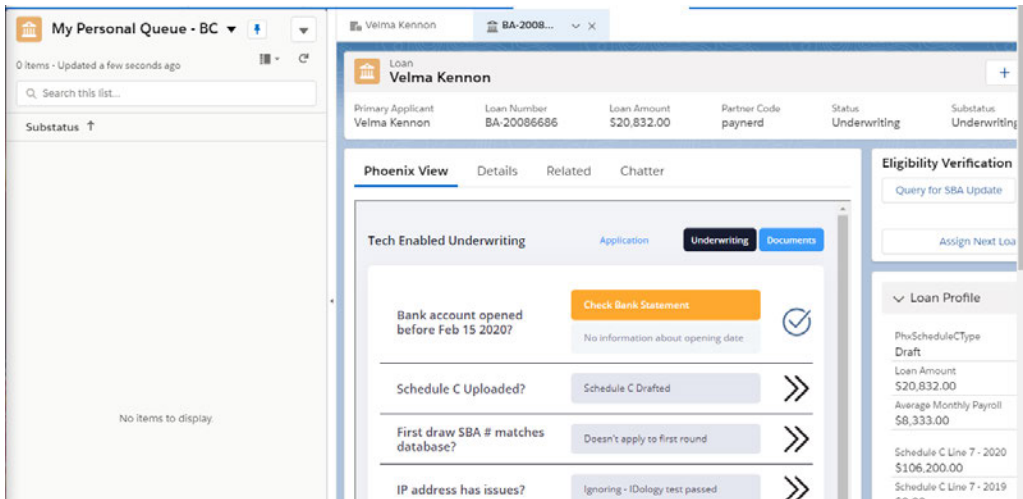
3. A page similar to the following should appear. Select the **arrow** on the left side of the screen to pop out the Loan list.



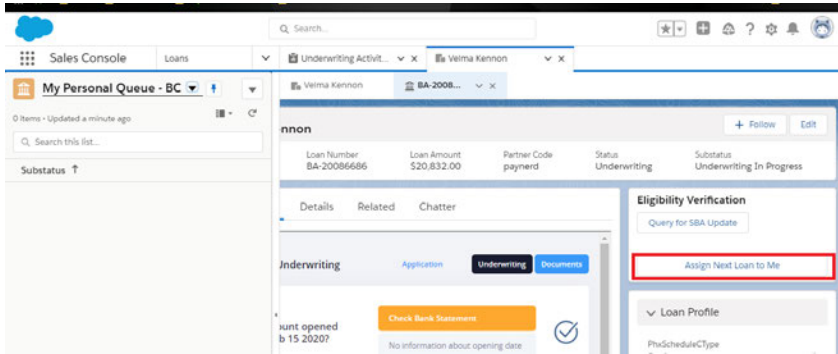
4. A menu similar to the following should appear. Select the personal queue you made earlier from the Loans dropdown menu.



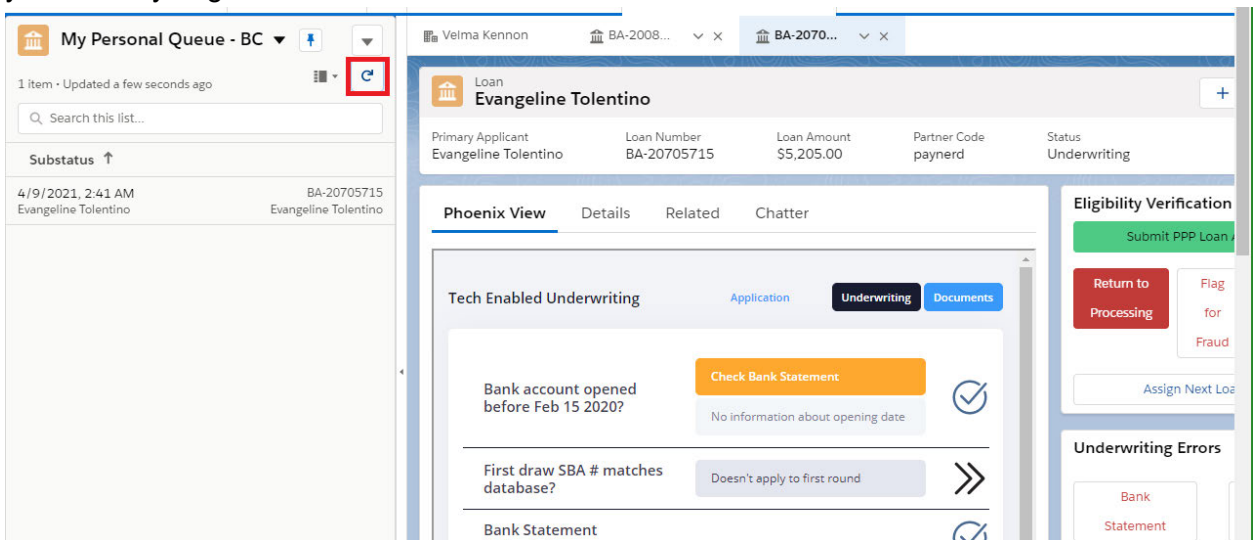
5. The menu on the left side of the page will now show your personal queue. Note how it is currently empty.



6. Select **Assign Next Loan to Me** from the right side of the page.



7. You have now assigned yourself a loan! If you hit the refresh button in the menu displaying your personal queue, you should see the loan populate in your queue. Now you're ready to get to work!

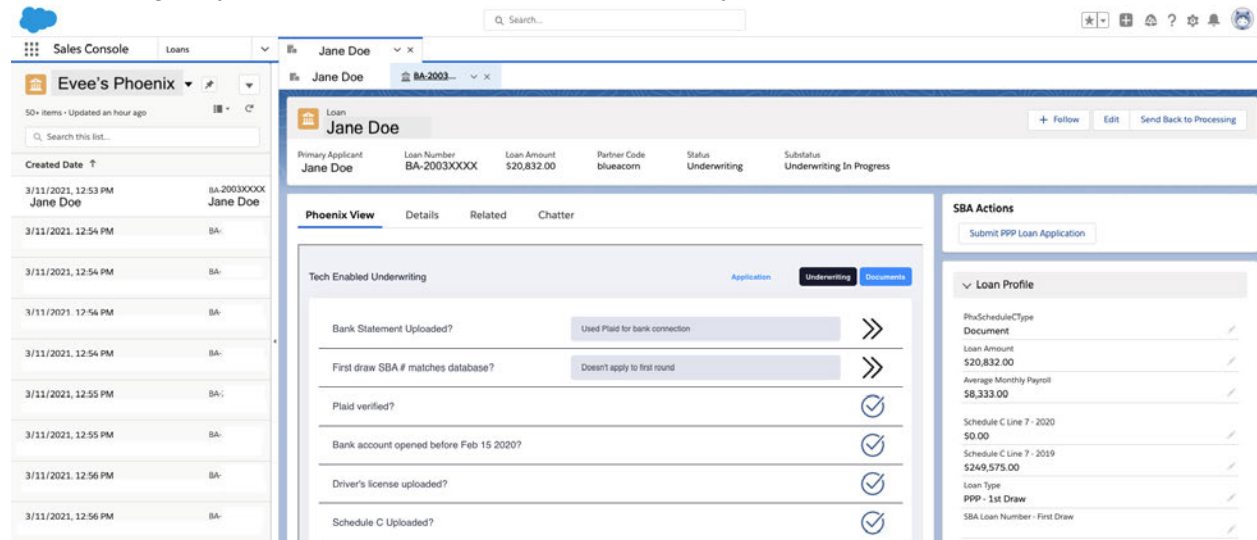


Understanding Salesforce

This section will explain the tools presented in Salesforce.

Sales Console Phoenix View: What you will need while working through loans

After setting up your Personalized Salesforce Queue, you should see a populated list:



- From this list you can see your assigned loans on the left.
- On the right you can see your first PPP loan.

Breaking Down the Fields in the Phoenix View Underwriter Tab

For the Eligibility Verification process, we want to stay in the **Phoenix View** tab.

1. Bank Statement Uploaded?

- a. If the applicant had linked their bank account verification through **Plaid**, this can verify their bank account and offer validation for a bank account opened from Feb. 15, 2020. Every bank account has to be Plaid verified AND the Bank account opened before Feb 15, 2020.
 - i. If the applicant linked their account and Plaid could not verify that the bank account was opened by Feb 15, 2020, the applicants are asked to upload a bank statement. Check this statement for verification of:

1. Date: We are looking for a date **between December 1st 2019 - March 31 2020**

2. Applicants Name: Matches ID and/or application name
 3. Address: A possible match for an address on ID or Address on file
- b. These bank statements could include but are not limited to:
- i. Major banks
 - ii. Credit unions
 - iii. Online banks
- c. Alternatives to a Bank Statement as "Proof of Operations" for December 2019 - March 2020 (these are extremely rare)
- i. 1099-MISC December 2019- March 2020
 - ii. Self Employed Book of Record (CPA Certified) December 2019- March 2020
 - iii. State Unemployment Insurance Tax Records December 2019-March 2020

2. *First, draw the SBA # matches database?*

- a. A majority of the loans that we are working with are 1st time PPP loan applicants PPP - 1st Draw Loan Type.
- b. If this is a second PPP loan application, the applicant is asked to provide their SBA Loan number and it will be listed as a PPP - 2nd Draw Loan Type.
 - i. If you happen to have an error with a PPP - 2nd Draw, it could be an error in the Loan Number entered. The system will detect that there is an issue with the 1st Draw SBA # and automatically send the application to processing upon submitting to the SBA. We will still attempt to submit these loans to the SBA even if this error code is present.

3. *Plaid/GIACT verified?*

- a. When applying through the initial PPP loan application, the applicant is given the opportunity to log into their bank account through Plaid, a bank verification system. This system checks the verification of ownership of the bank account and its creation date.
- b. A few applications will be flagged on the Phoenix view for Bank Account doesn't show transactions before Feb 15, 2020.
 - i. In this case, we will need to check the uploaded bank account document. It

does not mean they don't qualify, just that Plaid/GIACT wasn't sure. (Refer back to "*Bank Statement Uploaded?*" procedures when verifying the bank account statement.)

4. *Driver's license uploaded?*

- a. Front Picture of any Government-issued ID (Verifying Name and Legitimacy)
 - i. State Driver's license (**See APPENDIX C**)
 - ii. State Identification Card
 - iii. Passport (*Foreign passports are acceptable if PLAID/GIACT verified*)
 - iv. Military ID
 - v. Gun Permits

5. *Schedule C Uploaded?*

- a. Clear picture or Uploaded Schedule C Document
- b. If the 2019 Tax Document is uploaded, look for the Schedule C Document.
- c. Check for the applicant's name
- d. Check Line 7 of the Schedule C document to match the information in the loan profile. (See **APPENDIX B**)
- e. This could also include a "Draft" Schedule C. 'I would include some more detail on "Document" vs "Draft" scenarios. Won't be a document uploaded if it is a draft, the draft is completed on the intake form.

6. *Loan amount calculation correct?*

- a. In the Loan Profile, most of the time we will see the sections pre-generated.
- b. If there is \$0 in the fields, we can check Schedule C Line 7 and input the correct information.
- c. Then enter the additional information manually using the Loan formula (See **APPENDIX B**).

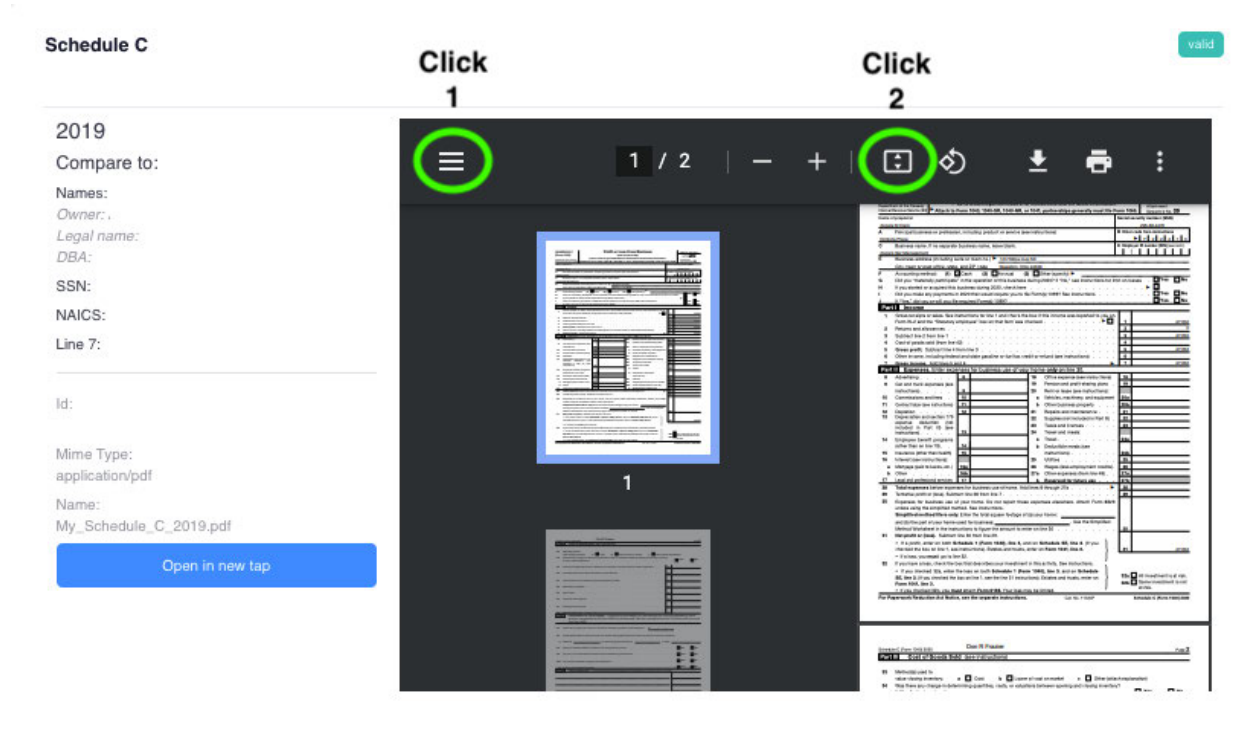
Optimizing Salesforce: Tools to help you use Salesforce more efficiently

When viewing the documents under the **Documents** tab, we see a small version of the document.

To view within the window:

Click 1 (The menu button) Once.

Click 2 (The view size button) Two times.



This will maximize the view of the document within the window of the **Documents** tab.

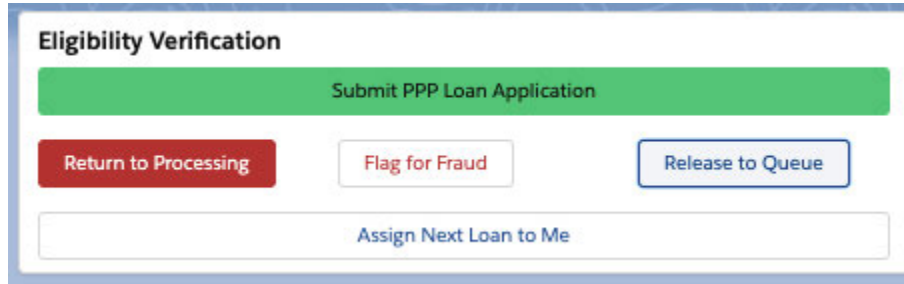
We can use the **Open in new tab** button. This will open a new tab with a larger view of the document. Once you have viewed the document, please be sure that you close the tab. We want to protect our customer's personal information.

Remember to CLOSE the document tab after viewing each document.*

- This will prevent us from viewing the wrong documents for the applicants.

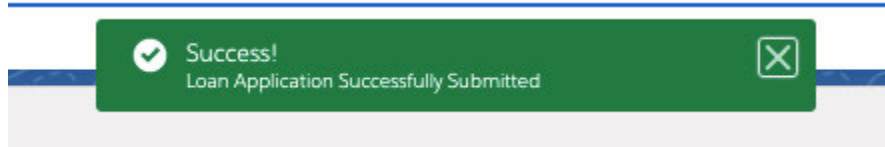
- *This will protect the Identity of our customers.*

If everything is correct, it is time to click the **Submit PPP Loan Application** button.



The screenshot shows a section titled "Eligibility Verification". At the top is a large green button labeled "Submit PPP Loan Application". Below it are three buttons: a red button labeled "Return to Processing", a white button with a red border labeled "Flag for Fraud", and a blue button with a white border labeled "Release to Queue". At the bottom is a white button with a blue border labeled "Assign Next Loan to Me".

Our system will process, if there are no issues we will see **Success!**



This loan was successfully submitted to the **Small Business Administration (SBA)!**

Sending a Loan Back to Processing

When checking documents, we want to make sure that we can visually verify the information we are checking.

- Full Name/ Business Name
- Address (Physical Address, P.O. Box is not acceptable)
- Date (Bank account opened **between December 1st 2019 and March 31 2020**)

This document had a very distorted screenshot of the bank statement. I could not verify the applicant's name, nor the date of this statement. We want to do our best when verifying these documents, please try to troubleshoot as best as you can before **Sending them Back to Processing.**

To send it back to Processing, we want to make sure that we provide them with enough information.

1. Click the **Sent Back to Processing** button, in the **Eligibility Verification** information section.

Eligibility Verification

Submit PPP Loan Application

Return to Processing
Flag for Fraud
Release to Queue

Assign Next Loan to Me

***Note:** The **Submit PPP Loan Application** button is on the left side as well. Please ensure that you do not mistakenly Submit a Loan that you want to **Return to Processing**. If this happens, please notify 2nd tier EVs as soon as possible.

2. This window will appear.

Send Back to Processing

***Underwriting Reject Reason**

--None--

Underwriting Reject Detail

--None--

Missing

Available

- First Draw SBA#
- Quarterly Revenue Chart
- Drivers License (All Owne...
- Voided Check or Screen S...

▶

◀

Chosen

Underwriting Notes

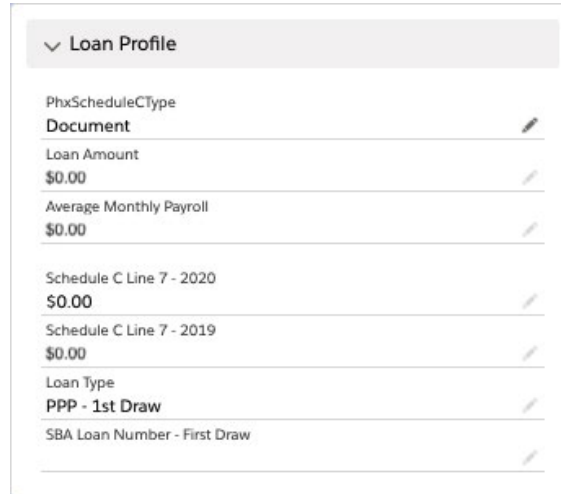
/

Cancel
Save

Editing Information in the Loan Application

When going in to check the documents, let's say that there are some errors or missing information on the Salesforce system.

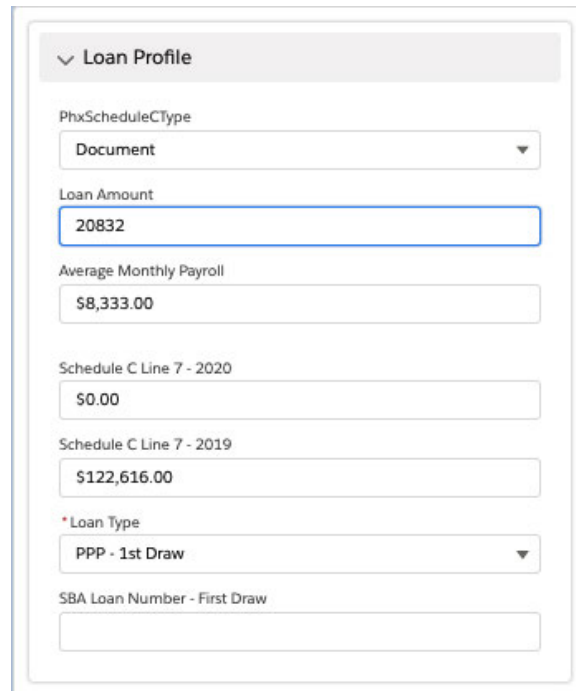
The first example, 0's in the **Loan Profile** Section.



The screenshot shows the 'Loan Profile' section with the following fields and values:

Field	Value
PhxScheduleCType	Document
Loan Amount	\$0.00
Average Monthly Payroll	\$0.00
Schedule C Line 7 - 2020	\$0.00
Schedule C Line 7 - 2019	\$0.00
Loan Type	PPP - 1st Draw
SBA Loan Number - First Draw	

To edit this area, click on the pencil icon to the left of *PhxScheduleCType*. That will bring up the Editing Window.



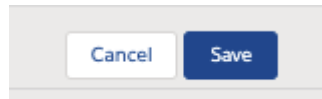
The screenshot shows the 'Loan Profile' section in edit mode with the following fields and values:

Field	Value
PhxScheduleCType	Document
Loan Amount	20832
Average Monthly Payroll	58,333.00
Schedule C Line 7 - 2020	\$0.00
Schedule C Line 7 - 2019	\$122,616.00
* Loan Type	PPP - 1st Draw
SBA Loan Number - First Draw	

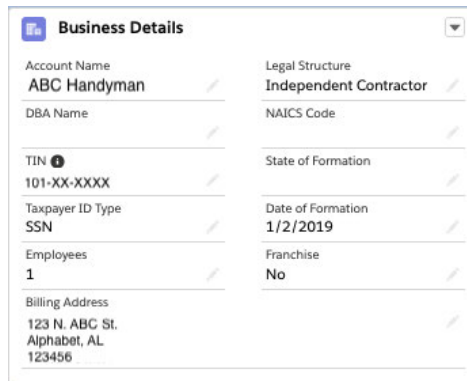
Cross-check this information with the information in the uploaded Schedule C document. You can add the income from multiple schedule c's in the same year if the applicant had different sources of income and filed multiple schedule c's.

1. Starting with Schedule C Line 7 - 2019
 - This document had Line 7 listed as *\$122,616.00*.
2. Take this number and divide it by 12 (the number of months in a year).
 - This **Average Monthly Payroll** is *\$8,333.00* (do not include decimals).
3. Then multiply the **AMP** by 2.5 (2 ½ months of payroll).
 - This equals *\$20,832.00* (do not include decimals).

Once you have all the correct information filled out, at the bottom of the screen you will see the **SAVE** button.



Moving on to checking the information on the Driver's License and Bank Statement, let's say that you notice a mistake on the address. The wrong state was listed in the **Business Details** section.



Business Details	
Account Name ABC Handyman	Legal Structure Independent Contractor
DBA Name	NAICS Code
TIN 101-XX-XXXX	State of Formation
Taxpayer ID Type SSN	Date of Formation 1/2/2019
Employees 1	Franchise No
Billing Address 123 N. ABC St. Alphabet, AL 123456	

The information on both the Driver's License and Bank Statement shows the state of Arizona and the information listed in the **Business Details** section state Alabama. To fix this mistake, you want to click on the Pencil Icon to edit the information.

- The edit window will pop-up and you will be able to edit the information.

Once you have entered the correct information click the **Save** button.

Working Through Loans

This section will briefly detail what you need to be looking for when working on loans. There are three main things to look for:

Identification: Does the name match the Phoenix Data

We can accept any US Government issued ID whether it be temporary or permanent. Expired or not.

Any ID must have:

- 1) Readable name
- 2) Picture

We can accept:

- City Identification cards
- Correction identification cards
- Cards that say "Not for federal identification purposes"
- Driver's Licenses that are expired
- Green cards

Check out [Appendix D: Fraudulent Identification](#) for questions about fraud

Schedule C: Does the name phoenix data?

We are confirming that the name on Schedule C provided matches the name or DBA name matches provided in the Phoenix data. Nicknames permitted. (Robert/Rob).

We ONLY accept schedule C's! Nothing else. (Check for 106,600 & \$106,000 amount and flag for fraud if you see it)

Verify the line 7 amount on the document in Phoenix data. **DO NOT DO ANY MATH.** SALESFORCE WILL DO ALL MATH FOR YOU. JUST MAKE THE LINE & AMOUNT IN THE PHOENIX DATA MATCH THE SCHEDULE C

The screenshot shows a 'Business Details' form with the following fields:

Account Name	[Redacted]	Legal Structure	Sole Proprietorship (Unregistered)
DBA Name	Plaza Marbella Ltd	NAICS Code	722,513
TIN	[Redacted]	State of Formation	
Taxpayer ID Type	EIN	Date of Formation	6/15/2004
Employees	1	Franchise	No
Billing Address	[Redacted]		

A red circle highlights the NAICS Code field, which contains the value 722,513.

If you come across two schedule C's from **two different businesses**, add the **Line 7's together**, process as normal.

Bank Statement: If there is a date **within the range of December 1st 2019 to March 31st 2020** (as of 4/16) on the bank statement? Is the applicant's name or DBA name on the statement? Is the bank name (and Logo for larger banks) on the statement?

Bank Statements must have:

- 1) Matching name or DBA name
- 2) **A date within the range December 1st 2019 - March 31st 2020**
- 3) Has bank name/logo

Clarification: Statements with any November dates cannot be accepted, even if the statement goes into December.

Statements can go into March, but they must have a February date and cannot have an April date.

What if they add no bank statement? Then we can accept:

- 1099-MISC or 1099-G - Feb 2020. Looks like this:

- Self Employed Book of Record (CPA Certified) - **December 1st 2019 - March 31st 2020**
- State Unemployment Insurance Tax Records - **December 1st 2019 - March 31st 2020**

How do we release funds? And what kind of statements do we not accept?

- We do not accept prepaid cards because we cannot wire funds to a prepaid account.
- We do not accept Cash App, Venmo, or Paypal Statements.
- We do not accept transaction statements, invoices, or screenshots of bank transactions.

Is this a fraudulent bank statement? Check out [Appendix F](#) for more information

Wrapping up for the day

When you leave for the day “release to queue” or finish your loans in your personal queue. Do not leave loans in your queue because those loans cannot be processed when they are stuck in your queue? Log out of Salesforce and disconnect from your Virtual Machine.

Do not shut down your Virtual machine; this will destroy your virtual machine. Please disconnect in the top right with the X or using the “Disconnect” option in the start menu.

Appendices

APPENDIX A: EV FAQ

The EV FAQ is a document produced by Blue Acorn. They provide us with useful information and updates on loans processing regularly. Be sure to check this document every day at the start of your shift for updates.

APPENDIX C: ID Check

This is a link to the website that displays each state's Identification/ Drivers Licenses. Blueacorn update: **Do not use these websites** or be expected to check these types of discrepancies. EVer's do not need to scroll through 100s of different possible ID's or check to see if the watermarks match.

1. <https://www.insider.com/what-drivers-license-looks-like-in-every-state#arizonas-drivers-license-shows-a-desert-landscape-in-the-background-the-state-has-four-different-deserts-3>
2. [dmvnev.com > 50 state dmv list.html](http://dmvnev.com/50-state-dmv-list.html) 50 State DMV Links

Blueacorn update: We are looking for extremely obvious fraud. Ronald McDonald or 123 ABC Lane.

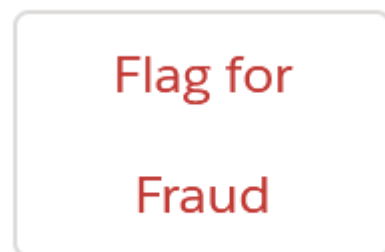
Watermarks, font size not aligning, or signature being in an unusual place are extremely detailed discrepancies that you are not expected to identify.

Look for computer generated images, white-out names, and other obvious fraud.

When checking ID look for obvious clues:

- Type and size of font
- Lining of Text
- Size and Quality of Picture
 - B&W portrait is a byproduct of our cards being printed on polycarbonate (PC)
- Signature on the ID

If the Government issued ID looks like Fraud please flag for fraud. We do not click the return to processing tab when flagging for fraud. It is an action in its own to flag for fraud.



- Flag for fraud

Flagged for Fraud

* Underwriting Flagged Reason

--None--

Cancel

Update

Flagged for Fraud

* Underwriting Flagged Reason

Potentially fraudulent government issued ID

Cancel

Update

Appendix D: Fraudulent Identification

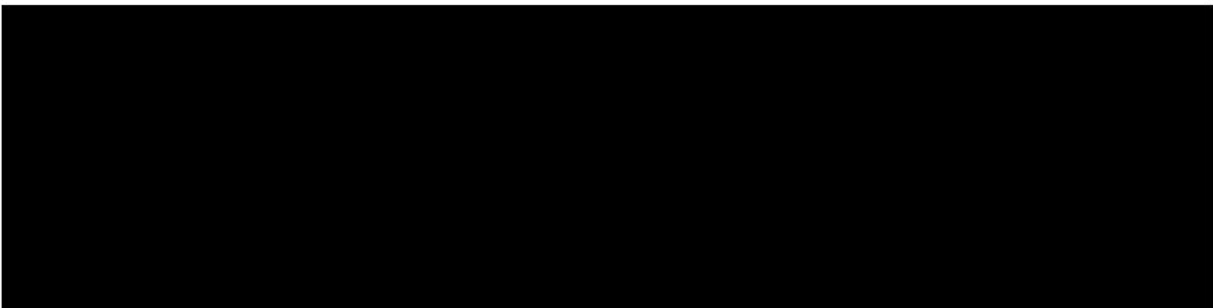
Our primary goal as EVer is to be accurate and produce a quality product for Blue Acorn. We should keep an eye out for obvious signs of fraud, and mark them as fraudulent where appropriate.

However, note that Blueacorn also has software and a team working to detect fraud. We have to find a balance between processing loans at a consistent rate and detecting fraud. With that in mind, look for obvious signs of fraud. If you are doubtful of the authenticity of a document, reach out to your team members and your team lead. At this point, if you are doubtful of a document authenticity but are not certain, the rule of thumb is to accept it. Whatever fraud we do not catch will be caught by Blueacorn later. This action has been taken in response to feedback that we were marking too many documents as fraudulent.

The following shows Examples of Fraudulent Identification. We are not asking anyone here to be an expert at detecting fraud, but these examples should help highlight what should be considered fraudulent.



This is a fake ID



While these may look fraudulent, these are actually real. They are digital IDs that are accepted in Louisiana. But in general computer ID's like this are fraudulent, **except for Louisiana**.



WORK VISAS: This is an example of what work visas look like. As this case is a government-issued ID with a picture AND is Plaid Verified, we would accept that work Visa.



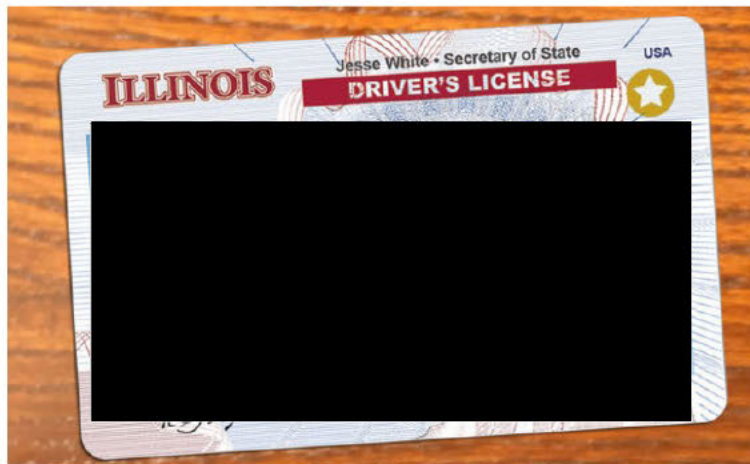
This is an example of a digitally altered license. Note how it pops off the page unlike what may be seen in a real ID. It almost looks too perfect



A digitally altered license



A digitally altered license



A digitally altered license

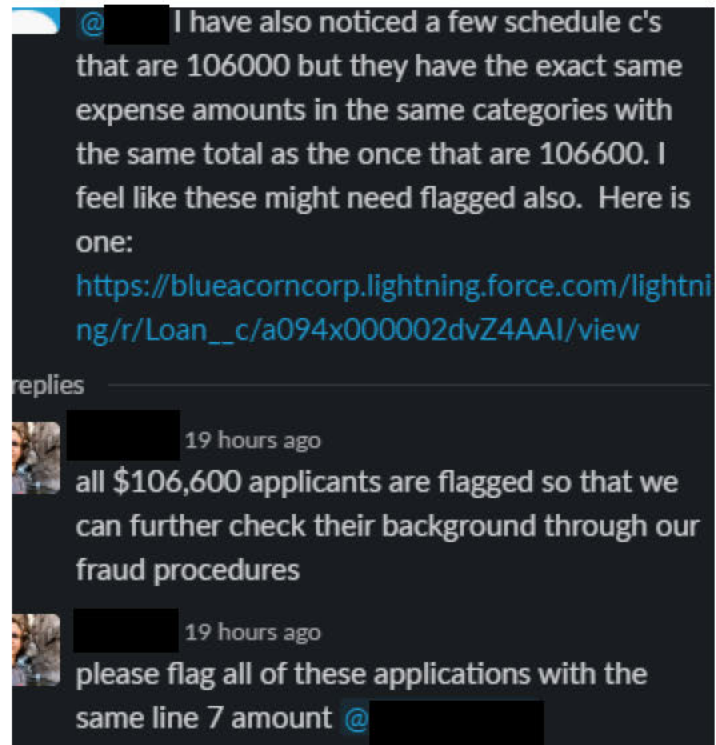


Keep an eye out for fraudulent passports like this.

Appendix E: Fraudulent Schedule Cs

There are two main things you will want to check with Schedule Cs

1. Is the font consistent throughout the document?
2. Is the Line 7 amount \$106,600? **Flag for fraud**



A screenshot of a social media thread with a dark background. The main post is from a user with a profile picture of a blue and white wave. The text of the post reads: "@ [redacted] I have also noticed a few schedule c's that are 106000 but they have the exact same expense amounts in the same categories with the same total as the once that are 106600. I feel like these might need flagged also. Here is one: https://blueacorncorp.lightning.force.com/lightning/r/Loan__c/a094x000002dvZ4AAI/view". Below the post, there are two replies. The first reply is from a user with a profile picture of a person's face, dated "19 hours ago", and says "all \$106,600 applicants are flagged so that we can further check their background through our fraud procedures". The second reply is from the same user, also dated "19 hours ago", and says "please flag all of these applications with the same line 7 amount @ [redacted]".

@ [redacted] I have also noticed a few schedule c's that are 106000 but they have the exact same expense amounts in the same categories with the same total as the once that are 106600. I feel like these might need flagged also. Here is one:
https://blueacorncorp.lightning.force.com/lightning/r/Loan__c/a094x000002dvZ4AAI/view

replies

[redacted] 19 hours ago
all \$106,600 applicants are flagged so that we can further check their background through our fraud procedures

[redacted] 19 hours ago
please flag all of these applications with the same line 7 amount @ [redacted]

Appendix F: Fraudulent Bank Statements/ or not a bank statement

Many different types of bank statements exist. Below are some examples of ones we do not accept as bank statements.

INDIVIDUAL LIABILITY INFORMATION	AMOUNT
Mortgage or Rent:	\$1,700.00
Home Equity Loan:	\$0.00
Other Mortgage:	\$3,600.00
Vehicle Loans:	\$0.00
Credit Cards:	\$0.00
Student Loans:	\$17,000.00
Other Liabilities:	\$1,200.00
INDIVIDUAL TOTAL LIABILITIES:	\$23,500.00

DETAILED SUMMARY LIST OF MONTHLY INCOME ASSET	
INDIVIDUAL MONTHLY INCOME	MONTHLY AMOUNT
Individual Employer Name: [REDACTED]	
Monthly Salary or Wages:	\$25,000.00
Investment Accounts:	\$0.00
Alimony:	\$0.00
Child Support:	\$0.00
Trusts:	\$0.00
Other Income Sources:	\$0.00
INDIVIDUAL TOTAL MONTHLY INCOME ASSET:	\$25,000.00

DETAILED SUMMARY LIST OF MONTHLY EXPENSE LIABILITY	
INDIVIDUAL MONTHLY EXPENSES	MONTHLY AMOUNT
Paid Alimony:	
Paid Child Care:	\$13,000.00
Paid Child Support:	
Groceries:	\$350.00
Healthcare or Medications:	
Housing or Rent:	\$1,700.00
Other Mortgage Loans:	\$2,500.00
Auto Loans:	
Auto Insurance:	\$500.00
Health or Dental Insurance:	
Life Insurance:	\$250.00
Other Insurance:	

Not a bank statement

Prepared for [REDACTED]
on 03/03/2020

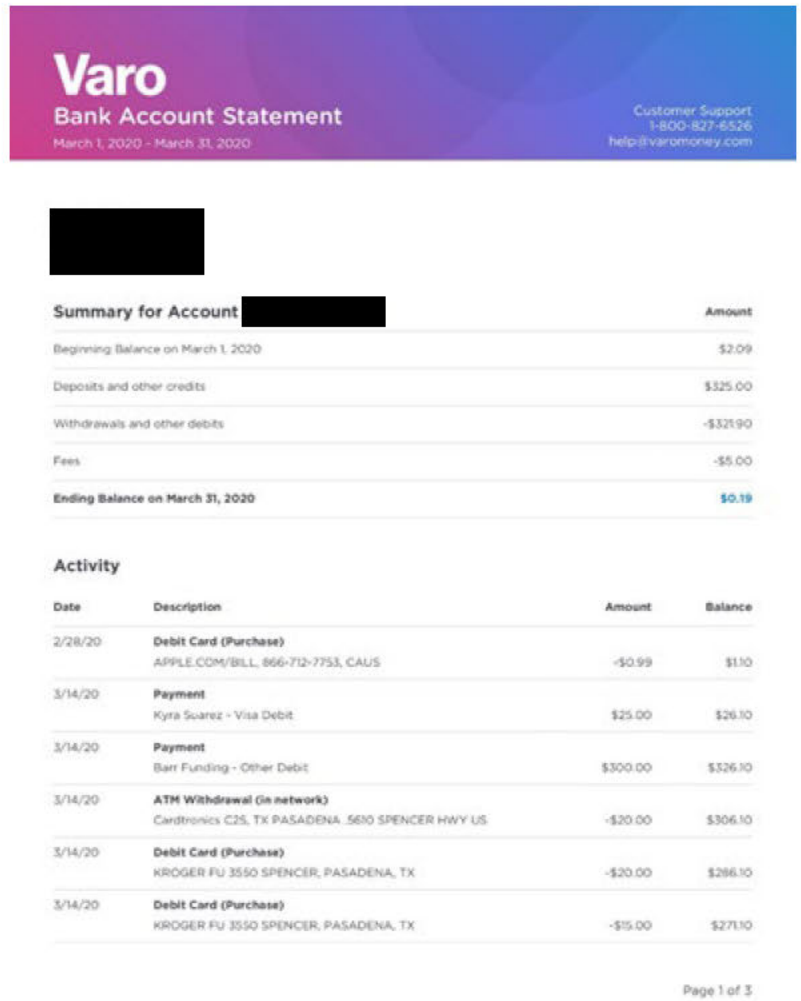
NAME: [REDACTED]
ADDRESS: [REDACTED]
HOME PHONE: [REDACTED]
CELL PHONE: [REDACTED]
SSN: [REDACTED]
BIRTHDATE: [REDACTED]

DETAILED SUMMARY LISTING OF ASSETS	
INDIVIDUAL ASSET INFORMATION	AMOUNT
Accounts Receivable:	
Annuity:	
Boats:	
Bonds:	\$2,500.00
Business Property and Real Estate:	
Certificate of Deposit:	\$26,000.00
Checking Accounts:	\$500.00
Household Furnishings:	
Jewelry:	
Life Insurance:	
Mutual Funds:	
Notes Receivable:	
Other Assets:	
Other Real Estate:	
Personal Residence Real Estate:	\$1,700.00
Recreational Equipment:	
Retirement Plans:	
Savings Accounts:	\$13,000.00
Stocks:	
Trusts:	
Vehicles:	\$1,000.00
INDIVIDUAL TOTAL ASSET VALUE:	\$44,750.00

Not a bank statement

Both of these Varo bank statements below are acceptable and **NOT** fraudulent. The one on the left is a screenshot from the app, while the one on the right is the PDF download.

This is a great example of two **authentic** documents having a reason for being different. Do not expect all licenses or statements to look exactly the same just because you are familiar with one format!



Below are some **NON-fraudulent bank statements**. Make sure you are looking at the logos, fonts, and date layouts. If you are ever stuck on one, just glance back here and double check.

N26 is a legitimate bank and can be accepted

Appendix: G IP Address Fraud

The only IP address we need to flag for fraud is “Non-US” IP

9:43

Phoenix View IP and Fraud Errors	
IP Address used for 5 or more applications	Ignore
IP Detected as proxy. Proceed with caution	Ignore
No IP Addresses Stored	Ignore
Abused IP	Ignore
Fraud Score Suspicious (≥ 75)	Ignore
IP Blacklisted (100 score)	Ignore
Fraud score high (≥ 85)	Ignore
Non-US IPs	Flag for Fraud -> IP Address Issue

You have likely noticed by now that the "IP address has issues?" error codes have been simplified to only show 1 message "Proceed with caution" vs multiple codes.

We realize that we were instructing/training EVerS to be overly aggressive with flagging applications based on IP issues. We have learned a lot more about what these IP issues mean, how to interpret them, and how they align with our policy

This will be much more straightforward going forward. **If the deal says "Proceed with caution" then conduct a thorough review and submit the deal if it is successfully verified**

Appendix H: Miscellaneous FAQ

1. Is there a difference between the routing number invalid and the routing number not found in the database? Should both of them be sent back to processing?
 - a. Correct, both Routing # errors should be sent back to processing.
2. When you see the Routing # error on the Phoenix view, Return to Processing. Have added an option in "Other" -> "Routing Number is not valid"
Will prompt applicant to provide correct routing #. In the pipeline to automating this.

- Blueacorn Tech team has removed the "Other" option for "Flag for Fraud". Loan

The screenshot shows a web interface with several error messages in red boxes:

- Statement
- Bank routing number valid? Error: Routing number not found in database
- IP address has issue? Proceed with caution

Below these messages is a dropdown menu titled "Other" with the following options:

- Underwriting Reject Detail
- Available
- SBA Error - Data not matching ...
- SBA Error - Loan amount
- SBA Error - Loan Number
- TIN Not ...
- Routing Number is not valid (circled in blue)

The "Chosen" area is currently empty.

- If you get a one with 157

processors of the closely aligns flagging for come down with one of

need to select one options that most with the reason for fraud. It should only to a potential issue the 3 documents.

large PDF like this pages. A quick shortcut to search for the schedule C's. Hold down "CTRL F" at the same time on your keyboard and then type in "Schedule C". Press enter and keep pressing enter until you find the schedule C. It is also typically the 6-10th page.

Appendix J: Enhanced Due Diligence (Beginning Jun 11, 2021)

Enhanced Due Diligence is a process that will be mandated for a portion of our applicants in various "Backoffice" funding stages. They all have been approved initially by the SBA but are being requested to submit additional documentation.

We have their original documentation on file (ID, Schedule C, Bank Statements) but will be asking them to submit a fourth document. The EV's trained to do Enhanced Due Diligence (EDD) will follow all the normal EV policy for the original documentation. Think of it like double checking our work. Our goal in EDD is to be as thorough and accurate as possible when assessing these applications.

The fourth document we are requesting is a full 1040 tax return from either 2019 or 2020.

Similar to the other document requirements, the 1040 must be in the Applicant's or DBA name.

The 1040 will have to include a Schedule C as well. This will be reconciled against the initial schedule c data the applicant provided, whether drafted or filed documents were submitted.

If the 1040 does not include a Schedule C then the applicant is not approved. If the Schedule C on their full tax return shows a significant discrepancy between the initial application (over \$10,000 less income on their filed taxes when compared to the reported income for the loan amount calculations), the application does not pass Enhanced Due Diligence and will not be approved. We do not edit the income at this stage because the applicant has already been approved by the SBA with the previous data. If they make over \$100k, the \$10,000 rule does not apply as the applicant already qualifies for the full loan amount.

LENDER SERVICE PROVIDER AGREEMENT

Lender:

Prestamos CDFI, LLC a subsidiary of Chicanos Por La Causa, Inc.

1024 East Buckeye Road

Phoenix, AZ 85034

[REDACTED]@cplc.org

Location ID: 188361

Service Provider:

BA PPP Fin, LLC

222 S Mill Ave., Suite 800

Tempe, AZ 85281

Barry Calhoun, CEO

[REDACTED]
[REDACTED]@blueacorn.co

THIS LENDER SERVICE PROVIDER AGREEMENT (this "Agreement") is made and entered into on the 14th day of April 2021 (the "Effective Date"), by and between **Prestamos CDFI, LLC**, an Arizona Limited Liability Company, ("Lender"), and **BA PPP Fin, LLC**, a Wyoming Limited Liability Company, ("Service Provider"). The SBA Lender's location ID number is 188361.

RECITALS:

WHEREAS, Lender is a Small Business Lending Company pursuant to 13 C.F.R. § 120.470 et seq., which engages in the origination, marketing, underwriting, and funding of loans, as well as the servicing, management and liquidation of the subsequently resulting loan portfolios, funded and created under the U.S. Small Business Administration ("SBA") 7(a) Loan Program and the SBA Paycheck Protection Program ("PPP"); and

WHEREAS, Lender has the ability to independently evaluate, process, close, service, liquidate, and litigate commercial loans; and

WHEREAS, Service Provider is a financial institution which engages in the origination, marketing, underwriting, and funding of loans, as well as the servicing, management and liquidation of the subsequently resulting loan portfolios, funded and created under the SBA 7(a) Loan Program and the PPP;

WHEREAS, Lender desires to acquire staff services from Service Provider to carry out certain functions related to the PPP Loan Portfolio rather than hiring employees directly for those same staff functions, as it believes that this will be more economical and will result in a higher level of service and expertise to provide better delivery to the small business concerns which Lender desires to assist; and

WHEREAS, Lender and Service Provider desire to establish an independent contractor relationship whereby, for the mutual benefit of Lender and Service Provider, Service Provider provides guidance, assistance and services to Lender in the origination, servicing, management and liquidation of the PPP Loan Portfolio; and

WHEREAS, Lender specifically acknowledges that, notwithstanding any other provision of

this Agreement seemingly to the contrary, Lender shall at all times during the term of this Agreement, and after the expiration or earlier termination thereof, have (i) day-to-day responsibility for evaluating, processing, closing, disbursing, servicing, liquidating and litigating its PPP Loan Portfolio, (ii) ultimate responsibility for all loan decisions, including approvals, underwriting, closings, disbursements, due diligence and loan servicing and liquidation actions, as required by SBA policy, and that such responsibility must be carried out independently of any control by Service Provider, and (iii) full responsibility for all entries and certifications made by Service Provider on Lender's behalf into the SBA's E-Tran system.

NOW THEREFORE, in consideration of the mutual covenants, promises, and undertakings contained herein, and for such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

- 1) **Recitals Incorporated.** The foregoing recitals are hereby incorporated into this Agreement.
- 2) **Term.** The term of this Agreement shall be for an initial period of twelve (12) months from the Effective Date and shall automatically renew for additional periods of six (6) months each, unless earlier terminated or if notice of non-renewal is timely provided in accordance with the provisions of Section 8, below.
- 3) **Independent Contractor/Service Provider Relationship.**
 - a) Service Provider's relationship to Lender shall at all times be that of independent contractor, to provide a range of services more particularly described in Section 5 of this Agreement. Nothing contained in this Agreement shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venture or any association between Lender and Service Provider.
 - b) Service Provider will utilize its own employees and will choose and control the methods and procedures to be used in the performance of Service Provider's obligations pursuant to the terms and provisions of this Agreement, hiring and firing its employees, paying its employees or other workers, and choosing the time when and where work is to be done, except as otherwise expressly set forth in this Agreement. Unless required by Lender to perform its obligations under this Agreement at Lender's offices, Service Provider shall furnish its own office facilities and transportation for the conduct of its obligations under this Agreement at its own expense. Service Provider shall comply with all laws and regulations (including United States consumer finance laws) in its provision of the services set forth in this Agreement and shall indemnify and hold Lender harmless for any losses Lender incurs as a result of Service Provider's violation of any law in the performance of the services hereunder.
 - c) Notwithstanding the foregoing or any provision of this Agreement to the contrary, Lender and Service Provider agree that Lender, and not Service Provider, shall retain the full responsibility for all aspects of its 7(a) and PPP loan operation, including, but not limited to, approvals, closings, disbursements, servicing, actions, due diligence liquidating and litigating Lender's PPP Loan Portfolio.
- 4) **Borrower Fees.** Service Provider, affiliates and contracted third parties by Service Provider shall not charge any fees to any borrower for the services provided hereunder or in connection therewith.
- 5) **Scope of Work and Compensation: Lender Obligations.** Service Provider shall provide Lender with the services described below for each loan included in the PPP Loan Portfolio (each an "Included Loan" and collectively, the "Included Loans"). for the compensation set forth herein.
 - a) **Origination, Servicing, Liquidation, and Administration Services.**
 - i) Service Provider shall at all times during the Term of this Agreement provide the following services (on a timely basis) relating to the servicing, liquidation, forgiveness, and

administration of Lender's PPP Loan Portfolio for the Included Loans, as well as other services relating to filing of reduction reports:

- (a) integrate the loan documents and loan data into the appropriate servicing database;
- (b) establish a loan data tracking and borrower-communication system;
- (c) provide software set-up to integrate Lender and the loan into the servicing portfolio module;
- (d) provide full-time help desk support for Lender's technical issues and questions;
- (e) provide technical assistance to Lender on generally accepted accounting principles for the accounting for each component of the loan transaction;
- (f) perform servicing file reviews for Lender;
- (g) preparation of Federal PPPLF PPP Pledge and Advance Request submission to fund loans by day produced and PPPLF Loan Reduction Reports;
- (h) [Reserved];
- (i) document all servicing actions for review and approval by Lender through Lender's designated approval process and, if required by Lender, for review and approval by experienced SBA legal counsel chosen by Lender in Lender's sole discretion;
- (j) obtain SBA approval (as may be required by then-applicable SBA regulations) for all servicing actions, including but not limited to loan modifications;
- (k) assist Lender with the preparation and submission to the SBA and the applicable fiscal transfer agent ("FTA") of all reporting documentation, including but not limited to, any documentation or information required in connection with the SBA Form 1502 report, any documentation or information to be submitted via a FTA Lender portal, any ACH credit information required for any account owned by Lender, as applicable, with respect to the Included Loans, as required by then-applicable SBA regulations;
- (l) assist Lender in obtaining, and provide guidance to Lender in reviewing, annual financial statements and tax information from all borrowers of Included Loans, to the extent required;
- (m) provide and use software technology for underwriting applications;
- (n) assist Lender with follow-up regarding all past-due Included Loan accounts, including the provision of all required notices and notifications to the SBA in connection therewith;
- (o) consult with Lender, Lender's legal counsel and the SBA regarding the compliance with SBA's then-current policies and regulations of any initial workout, litigation and/or or liquidation plan, or any liquidation action or collection efforts, as applicable, proposed with respect to any Included Loan;
- (p) consult with Lender regarding SBA guaranty purchase issues relating to Included Loans;
- (q) upon borrower default, or if a loan otherwise passes into collection or liquidation, take any and all appropriate actions, in compliance with then-current SBA policy and regulations and prudent lending standards, to reasonably increase the

likelihood of the repayment of the obligation by the delinquent or defaulting obligor, and provide Lender with a written report or reports of such actions in a mutually agreed upon format; and

- (r) assist Lender with PPP loan servicing relating to forgiveness requests and related reduction reports to the federal reserve.

The foregoing services are referred to herein as the "Servicing, Liquidation and Administration Services".

b) Compensation.

- (1) In no event shall Service Provider be entitled to any split of secondary market premiums.
- (2) As compensation for, and in consideration of Service Provider providing the Origination, Servicing, Liquidation and Administrative Services, Service Provider shall be compensated as set forth in Schedule A. Notwithstanding anything to the contrary, Service Provider shall be paid for services rendered regardless of whether or not a loan closes.
- (3) All payments from a borrower must be held in an account in the Lender's name. Service Provider may be permitted to access the account in order to process borrowers' payments. If the guaranteed portion of the loan has been sold on the secondary market, the account must be properly titled in accordance with SBA Form 1086. Service Provider may not commingle any funds from multiple lenders and hereby agrees to hold a separate account for each lender client.

- c) Service Provider shall not receive any fees, nor shall Service Provider have any obligations, with respect to Lender's loan portfolio other than the PPP Loan Portfolio initiated and identified by Service Provider, all other loans shall be consider excluded from this Agreement.

- d) This Agreement shall apply to work produced from all locations from which Lender conducts business.

- e) Service Provider hereby agrees to perform all work within the scope of this Agreement with due diligence and within reasonable time periods to be agreed upon by Lender and Service Provider.

- f) Lender shall provide Service Provider with written notice of any material adverse change in the status or financial condition of any borrower or of any other material information related to any Included Loan (the "Material Information") within ten (10) business days of learning such information. Lender hereby represents and warrants that this obligation to provide the Material Information to Service Provider is included in its obligation to retain the day-to-day responsibility for evaluating, processing, closing, disbursing, servicing, liquidating and litigating its PPP Loan Portfolio.

- g) ***Lender hereby authorizes Service Provider, at all times during the Term of this Agreement, to input data into SBA's Capital Access Financial System ("CAFS"), including SBA One and E-Tran, the SBA's electronic platform for exchanging data with the SBA, in connection with the provision of Service Provider's Processing Services, Secondary Market Services and Servicing, Liquidation and Administration Services. Service Provider shall be authorized to input data on behalf of lender at the origination, servicing, and/or liquidation levels at E-Tran location ID # [REDACTED] Lender acknowledges that it is fully responsible for all entries and certifications made by Service Provider on Lender's behalf into the SBA's CAFS, including SBA***

One and the E-Tran system.

- h) Lender will reasonably assist Service Provider with obtaining API documentation, access to technical resources and assist with approval from the SBA for the purposes of completing systems integration with SBA's CAFS.***

6) Costs and Expenses: Collection Expense Account.

- a) Each party hereto and its accountants shall have the rights, not more than once per year, to examine and audit the other party's books and records, but only to the extent relating to amounts due to Service Provider pursuant to the terms and provisions of this Agreement, at such place reasonably designated by the non-requesting party, during normal business hours, upon at least fifteen (15) days prior written notice to the non-requesting party. As a condition to a party's examination and/or audit, the parties agree that the requesting party shall: (a) send to the other party promptly after receipt, a copy of any audit or report generated with respect to an examination conducted hereunder; and (b) to keep any information obtained by the requesting party or its agents strictly confidential, except that the requesting party and its accountants may divulge such information to the requesting party's employees, accountants, and attorneys, or as it may be required to be disclosed by law or by a court of competent jurisdiction. If such audit shall reveal that additional sums should have been paid, or amounts were overpaid to Service Provider, then an adjustment shall be made in the amount thereof within thirty (30) days of the date that the non-requesting party shall be in receipt of such written audit. The requesting party shall pay the cost of such audit; provided, however, that if the audit results in a sum owed to the requesting party in excess of fifteen percent (15%) of the total amount either paid to or paid by the requesting party pursuant to the terms of this Agreement, the non-requesting party shall pay the expense of the audit. Each party covenants and agrees that its books and records shall be maintained at its corporate headquarters for at least three (3) years from the end of the period to which they are applicable, or if any audit is undertaken by either party or a controversy or a dispute should arise between the parties hereto regarding sums owed to either party under this Agreement, until such audit, controversy or dispute is finally completed, resolved or otherwise settled, even though such retention period may be after the expiration of the Term or earlier termination of this Agreement.

- b) The terms and provisions of this Section 6 shall survive the expiration or earlier termination of this Agreement for a period of three (3) years.

7) Indemnification/Waiver/No Warranty.

- a) Service Provider shall indemnify and hold harmless Lender and its affiliates, employees, officers and directors from any and all losses, liabilities, damages, penalties, third party claims or expenses (including reasonable attorneys' fees and cost of defense) that Lender may suffer or incur as a result of (i) any failure of the Service Provider to perform the services contemplated in this Agreement or to comply with applicable law, including failure to comply with SBA Regulations and Guidelines, (ii) any claims, breach, losses, regulatory actions, violations or penalties arising from the action or operations of Service Provider, (iii) any errors made by Service Provider in acting on behalf of Lender with respect to CAFS, or (iv) any claims, losses, or violations resulting from an act of fraud, embezzlement or criminal activity by Service Provider, except to the extent such failure, claims or errors resulted from (A) the Service Provider's good faith interpretation of regulations, policies or formal guidance issued by the SBA, U.S. Treasury or other federal agency regarding the PPP Loan Program, or (B) gross negligence or willful misconduct of Lender.
- b) Lender shall indemnify and hold harmless the Service Provider and its affiliates, employees, officers and directors from any and all third-party claims, losses, liabilities, damages, penalties or expenses (including reasonable attorneys' fees and cost of defense) that Service Provider may suffer or incur as a result of (i) any failure of Lender to perform

services contemplated by this Agreement or to comply with applicable law, including failure to comply with SBA Regulations, (ii) any incorrect CAFS data provided by Lender or (iii) any claims, losses, or violations resulting from an act of fraud, embezzlement or criminal activity by the Lender, except to the extent such failure resulted from (A) Lender's good faith interpretation of regulations, policies or formal guidance issued by the SBA, U.S. Treasury or other federal agency regarding the PPP Loan Program, or (B) gross negligence or willful misconduct of the Service Provider.

- c) If any claim or demand is asserted against any person entitled to indemnification under this Section 7 (each, an "Indemnified Party") by any person who is not a Party in respect of which the Indemnified Party may be entitled to indemnification under the provisions of subsections (a) or (b) above, written notice of such claim or demand shall promptly be given to the Party (the "Indemnifying Party") from whom indemnification may be sought. The Indemnifying Party shall have the right, by notifying the Indemnified Party within ten (10) days of its receipt of the notice of the claim or demand, to assume the entire control (subject to the following sentence and the right of the Indemnified Party to participate at the Indemnified Party's expense and with counsel of the Indemnified Party's choice, only if (i) the employment of such counsel has been authorized in writing by the Lender, (ii) the Indemnifying Party has not employed counsel to take charge of the defense within ten (10) days after delivery of the applicable notice or, having elected to assume such defense, thereafter ceases its defense of such action, or (iii) the Indemnified Party has reasonably concluded that there may be defenses available to it which are different from or additional to those available to the Indemnifying Party (in which case the Indemnifying Party shall not have the right to direct the defense of such action on behalf of the Indemnified Party), in any of which event attorneys' fees and expenses shall be borne by the Indemnifying Party) of the defense, compromise or settlement of the matter, including, at the Indemnifying Party's expense, employment of counsel of the Indemnifying Party's choice and reasonably satisfactory to the Lender. The Indemnified Party or Indemnifying Party may at any time notify the other of its intention to settle or compromise any claim, suit or action against the Indemnified Party in respect of which payments may be sought by the Indemnified Party hereunder, and (x) the Indemnifying Party may settle or compromise any such claim, suit or action solely for the payment of money damages in which the Indemnified Party does not admit any liability with respect to such claim, but shall not agree to any other settlement or compromise without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld (it being agreed that any failure of an Indemnified Party to consent to any settlement or compromise involving relief other than monetary damages shall not be deemed to be unreasonably withheld), and (y) the Indemnified Party may settle or compromise any such claim, suit or action solely for an amount not exceeding One Thousand Dollars (\$1,000) in which the Indemnified Party does not admit any liability with respect to such claim, but shall not settle or compromise any other matter without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, if the claim, suit or action giving rise to the Indemnifying Party's indemnification obligation is being brought by or before the SBA or another state or federal agency, authority or other regulatory body, then the Indemnifying Party shall not have the right to direct the defense of such action on behalf of the Indemnified Party, or to settle or compromise any such claim, suit or action, unless so authorized in writing by the Indemnified Party.
- d) If the Indemnifying Party gives notice to any Indemnified Party that the Indemnifying Party will assume control of the defense, compromise or settlement of the matter, the Indemnifying Party will be deemed to have waived all defenses to the claims for indemnification by the Indemnified Party with respect to that matter. The Indemnifying Party shall promptly notify the Indemnified Party if the Indemnifying Party desires not to assume, or participate in the defense of, any such claim, suit or action. Any damages to the assets or business of the Indemnified Party caused by a failure of the Indemnifying Party to defend, compromise or settle a claim or demand in a reasonable and expeditious manner, after the Indemnifying Party has given notice that it will assume control of the defense, compromise, or settlement of the matter, shall be included in the damages for which the Indemnifying Party shall be

obligated to indemnify the Indemnified Party. If the Indemnifying Party makes any payment on any third-party claim, the Indemnifying Party shall be subrogated, to the extent of such payment, to all rights and remedies of the Indemnified Party to any insurance benefits or other claims of the Indemnified Party with respect to such third-party claim. Each Party agrees to provide reasonable access to the other Party to such documents and information as may reasonably be requested in connection with the defense, negotiation, or settlement of any such third-party claim.

- e) If an Indemnified Party fails to give prompt notice of any claim being made or any suit or action being commenced in respect of which indemnification under this Section 7 may be sought, such failure shall not limit the liability of the Indemnifying Party; provided, that this provision shall not be deemed to limit the Indemnifying Party's rights to recover for any Loss which it can establish resulted from such failure to give prompt notice.
- f) This Section 7 shall govern the obligations of the Parties with respect to the subject matter hereof but shall not be deemed to limit the rights which any party might otherwise have at law or in equity.
- g) No Warranties. Notwithstanding the foregoing, nothing contained in this Agreement should be construed as a warranty or guarantee by either Party of loan portfolio performance or of the enforceability of the SBA guarantee on any Included Loan and any and all such warranties are hereby disclaimed.
- h) Limitation of Liability. NEITHER PARTY WILL BE LIABLE UNDER ANY CIRCUMSTANCES FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES, OR LOST PROFITS OF ANY KIND, IN CONNECTION WITH THE TERMS OR THE BREACH OF THE TERMS OR SUBJECT MATTER OF THIS AGREEMENT, WHETHER ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT, WHETHER IN CONTRACT, WARRANTY OR TORT (INCLUDING NEGLIGENCE OR OTHER THEORY). IN ADDITION, SERVICE PROVIDER WILL NOT BE LIABLE FOR ANY CLAIMS MADE OR ACTIONS TAKEN BY OR ON BEHALF OF ANY THIRD PARTY IN CONNECTION WITH INCLUDED LOANS OR RELATED SERVICES PROVIDED BY LENDER UNDER THIS AGREEMENT, TO THE EXTENT THAT LENDER WOULD NOT BE LIABLE UNDER SECTION 1106(H) OF THE CARES ACT.
- i) ANY DISPUTES RELATED TO LENDER'S LOAN DECISIONS, INCLUDING APPROVALS, AUTHORIZATIONS, UNDERWRITING, CLOSINGS, DISBURSEMENTS, DUE DILIGENCE AND LOAN SERVICING ACTIONS (INCLUDING THOSE RELATING TO AUTHORIZATION, LOAN DEFERMENTS, LOAN FORGIVENESS AND LOAN GUARANTEES) AS REQUIRED BY THE SBA, WILL BE RESOLVED BETWEEN LENDER AND THE DISPUTANT. EXCEPT IN THE CASE OF GROSS NEGLIGENCE OR WILFULL MISCONDUCT OF SERVICE PROVIDER, ITS AGENTS, EMPLOYEES OR PRINCIPALS, LENDER RELEASES SERVICE PROVIDER (AND ITS AFFILIATES AND THEIR RESPECTIVE PERSONNEL) FROM CLAIMS, DEMANDS AND DAMAGES (ACTUAL AND CONSEQUENTIAL) OF EVERY KIND AND NATURE, KNOWN AND UNKNOWN, SUSPECTED AND UNSUSPECTED, DISCLOSED AND UNDISCLOSED, ARISING OUT OF OR IN ANY WAY CONNECTED WITH SUCH DISPUTES.

8) **Termination.**

- a) The Term of this Agreement shall renew automatically, as described in Section 2 above, unless either party hereto provides not fewer than ninety (90) days written notice to the other party prior to the expiration of the initial Term or any renewal thereof ("Notice of Non-Renewal"). Either party may terminate this Agreement at any time by giving ninety (90) days written notice to the other party hereto ("Notice of Termination").
- b) Within ten (10) days of its receipt or delivery, as the case may be, of Notice of Non-Renewal or Notice of Termination, Service Provider shall provide to Lender, in writing, a

plan for providing to Lender either electronic or hard copies of any loan file material in its possession that is not otherwise in the possession of Lender. If electronic copies are to be provided, both parties shall agree upon a data format and method of transmission. Service Provider will not unreasonably withhold its co-operation in such selection and transmission. If "hard copies" (i.e., paper files) are to be provided, Lender shall pay to Service Provider the cost of producing and collating the hard copies at a cost not to exceed \$100.00 per file; all other costs of providing such information shall be borne by Lender. Service Provider shall provide all such information to Lender no later than thirty (30) days following the date of expiration or termination of this Agreement.

9) **Transition: Payment of Fees Upon Expiration or Termination.**

- a) In the event that any loan forgiveness application for an Included Loan for which Service Provider is responsible hereunder shall not be submitted to SBA or remains under review by SBA on the date of expiration or earlier termination of this Agreement, Lender may, in its sole discretion, (i) complete the loan forgiveness process itself, (ii) contract with another party (the "Replacement") to complete the loan forgiveness process, or (iii) require Service Provider to complete the loan forgiveness process for such included Loan. If Lender elects to complete the loan forgiveness process itself or contracts with the Replacement to complete the loan forgiveness process, Service Provider shall provide to Lender or, at Lender's direction, the Replacement, as promptly as is reasonably possible, all borrower and/or loan file and loan forgiveness material in its possession that is not otherwise in the possession of Lender. If Lender requires Service Provider to complete the loan forgiveness process, Service Provider shall cause such loan forgiveness process to be completed in accordance with the terms and provisions of this Agreement, and all terms and provisions of this Agreement shall remain in full force and effect with respect to each Included Loan until such time as the last loan forgiveness process to be completed by Service Provider has been completed and Service Provider has been paid in full for its services. If Lender requires service provider to complete the loan forgiveness process, Service Provider shall be entitled to additional compensation as outlined in Schedule B.
- b) Service Provider shall be entitled to all fees accrued pursuant to the terms and provisions of Section 5 above through the end of the calendar month in which this Agreement terminates, notwithstanding that the actual date of payment made by a borrower may be designated by the FTA to be in the following calendar month. By way of example, should a late payment be made by a borrower within the month in which this Agreement terminates but after the date of termination, Service Provider shall be entitled to the fees related to that payment as described above in section 5, as related to and only for services actually performed.

10) **Maintenance of Confidential Information.**

- a) The protection of confidential customer information is required at all times and Lender and Service Provider shall at all times comply with relevant state and federal regulations regarding disclosure of confidential information, including but not limited to the Gramm-Leach-Bliley Act (15 U.S.C. §§ 6801-6809) and the Fair Credit Reporting Act (15 U.S.C. § 1681 et seq.).
- b) Service Provider shall provide all information required by Lender for each customer.
- c) Service Provider acknowledges that all files maintained by Lender together with any and all correspondence, papers, documents, and other materials furnished to Service Provider under this Agreement by Lender or any borrower (the "Confidential Lender Information") are confidential business information and are the property of Lender. Service Provider agrees that the Confidential Lender Information shall be maintained in strictest confidence and shall not be disclosed to any third parties except as may be required by applicable state or federal law. During the Term and following the expiration or earlier termination of this Agreement, Service Provider shall not disclose or use to its own advantage, or to the

advantage of any other person or entity, any such Confidential Lender Information which Service Provider obtained as a result of either party's performance of its obligations under this Agreement. For purposes of this Agreement, "Confidential Lender Information" shall not include information that (i) is in Service Provider's possession prior to its being provided by or on behalf of Lender, (ii) is or becomes publicly available (other than through a breach of this Agreement by Service Provider), or (iii) becomes available to Service Provider on a non-confidential basis, provided that the source of such information was not known by Service Provider to be bound by a confidentiality agreement or other legal or contractual obligation of confidentiality with respect to such information.

- d) Lender acknowledges and agrees that it will have access to confidential business information and proprietary systems of Service Provider (the "Confidential Service Provider Information"). During the Term and following the expiration or earlier termination of this Agreement, Lender hereby agrees not to disclose or use to its own advantage, or to the advantage of any other person or entity any such Confidential Service Provider Information obtained as a result of either party's performance of its obligations under this Agreement. For purposes of this Agreement, "Confidential Service Provider Information" shall not include information that (i) is in Lender's possession prior to its being provided by or on behalf of Service Provider, (ii) is or becomes publicly available (other than through a breach of this Agreement by Lender), or (iii) becomes available to Lender on a non-confidential basis, provided that the source of such information was not known by Lender to be bound by a confidentiality agreement or other legal or contractual obligation of confidentiality with respect to such information.
- i) The provisions of this Section 10 shall survive the expiration or earlier termination of this Agreement and shall be enforceable by either party hereto for a period of three (3) years. In the event of a breach or threatened breach by Service Provider or Lender of the provisions of this Section 10 or any portion thereof, the other party shall have the right of injunction to restrain the same and the right to invoke any remedy allowed by law or in equity whether or not other remedies, indemnity or reimbursements are herein provided.
- 11) **Amendments.** This Agreement may be amended only by a written instrument executed by all parties hereto. Any such amendment shall be submitted to SBA for approval. If the SBA fails to approve such amendment, then such amendment shall have no force or effect and the parties thereto shall have no obligation thereunder.
- 12) **Governing Law.** This Agreement shall be governed by and interpreted pursuant to the laws of the State of Arizona, excluding any conflict-of-laws rule or principle that might refer the governance or the construction of this Agreement to the law of another jurisdiction (the "Governing Law"). Notwithstanding the foregoing or any provision of this Agreement to the contrary, this Agreement is subject to all applicable laws, regulations, and policies, including all SBA Loan Program Requirements (the "SBA Requirements"). In the event that this Lender Service Provider Agreement conflicts with any other contract or agreement between the parties, now or in the future, this Lender Service Provider Agreement will control with respect to Lender's SBA loan portfolio.
- 13) **Jurisdiction.** Each party hereto irrevocably submits to the nonexclusive jurisdiction of the United States District Court for the District of Arizona, located in Maricopa County and the state courts of the State of Arizona located in Maricopa County, for the purposes of any suit, action or other proceeding arising out of this Agreement. Each party hereto irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the United States District Court for the District of Arizona and the state courts of the State of Arizona located in Maricopa County and hereby irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in such court has been brought in an inconvenient forum.
- 14) **Arbitration.** In the event of any dispute, claim or controversy concerning, arising out of or relating to this Agreement, its effect, the breach thereof, or the transactions contemplated by it, the same shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American

Arbitration Association (the “AAA Rules”). The arbitration shall be before one neutral arbitrator to be selected in accordance with the AAA Rules and whose decision shall be rendered in writing. The results of the arbitration shall be final and binding upon the parties, with costs paid by the party who does not prevail in the arbitration, and judgment on the award may be entered in any court having jurisdiction thereof. In rendering the award, the arbitrator shall determine the rights and obligations of the parties according to the substantive and procedural laws of the State of Arizona. The arbitration shall be held in Phoenix, Arizona, or at such other place as may be selected by mutual agreement of the parties. The arbitrator shall have no authority to award punitive damages, or any other damages not measured by the prevailing party’s actual damages, and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of this Agreement. Neither party nor the arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties, unless required to do so by order of a governmental authority, or as required by either party’s auditors in connection with the preparation of audited financial statements, or as required by the disclosure requirements of any U.S. or foreign securities law, regulation or stock exchange rule, or if a petition to enforce arbitration is necessary to be filed with a court of competent jurisdiction.

- 15) **Waivers**. Except as otherwise expressly provided herein, no purported waiver by any party of any breach by the other party of any of its obligations, agreements or covenants hereunder, or any part thereof, shall be effective unless made in a writing subscribed by the party or parties sought to be bound thereby, and no failure to pursue or elect any remedy with respect to any default under or breach of any provision of this Agreement, or any part thereof, shall be deemed to be a waiver of any other subsequent similar or different default or breach, or any election of remedies available in connection therewith, nor shall the acceptance or receipt by any party of any money or other consideration due him or it under this Agreement, with or without knowledge of any breach hereunder, constitute a waiver of any provision of this Agreement with respect to such or any other breach.
- 16) **Survival**. The representations, warranties, and confidentiality, indemnity and payment obligations of the parties hereto shall survive the expiration or earlier termination of this Agreement.
- 17) **Parties Bound**. This Agreement shall be binding upon, and inure to the benefit of, Lender and Service Provider.
- 18) **Severability**. If any provision of this Agreement or the application thereof to any person, entity or circumstance shall, for any reason and to any extent, be determined by a court of applicable jurisdiction to be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons, entities or circumstances shall not be affected thereby but rather shall be enforced to the greatest extent permitted by law.
- 19) **SBA Approval**. Receipt of SBA’s written approval of this Agreement shall be a condition precedent to the obligations set forth herein. If the SBA does not approve this Agreement, this Agreement shall have no further force or effect and the parties shall be relieved from any and all obligations set forth herein. In the event that any changes, amendments or modifications to this Agreement are contemplated by the parties hereto after this Agreement is approved by the SBA, such changes shall be submitted to SBA for prior review and approval, and such approval shall be a condition to the effectiveness of any such changes, amendments or modifications.
- 20) **SBA Compliance**. Lender, to its knowledge, and Service Provider agree as follows.
 - a) This Agreement is in compliance with 13 CFR 103.2, 103.5 and 13 CFR 120 et seq., as well as SBA’s policies, procedures and regulations, including all PPP loan program requirements.
 - b) All compensation to Service Provider shall be paid directly by Lender and not by, or passed on by Lender to, borrowers. Such compensation is for services actually performed, as specifically set forth in this Agreement for each type of service. Lender and Service

Provider are prohibited from charging the borrower for any services under the PPP.

- c) Service Provider and Lender shall not engage in the sharing of any SBA Secondary Market premium.
- d) Other than the contractual relationship created by this Agreement, there is no existing relationship between Service Provider and Lender. .
- e) There is no apparent conflict of interest or self-dealing regarding this Agreement.
- f) Borrowers with respect to Included Loans under this Agreement shall not be required to purchase any service from Service Provider at any time. Lender shall inform each borrower in writing that such borrower has no obligation to employ any third party, including Service Provider or Lender, to assist with its loan forgiveness application.
- g) Service Provider may engage other financial institutions, commercial lenders, CDCs, CUSOs, other lender service providers or loan brokers.
- h) The Service Provider will not assume a portion of the risk of the un-guaranteed (if any) portion of any loan.
- i) In the event this agreement conflicts with any other contract or agreement between the parties, now or in the future, this Agreement will control with respect to the Lender's SBA Loan portfolio.

21) **Notices.** Unless otherwise provided herein, any approval, consent, certification, waiver, notice or other communication required or permitted to be given hereunder (hereinafter collectively refer as a "Notice") shall be given or made in writing, and shall be deemed to have been duly given or made: if by hand, facsimile, or electronic mail, immediately upon receipt (provided that delivery shall be made on a business day prior to 5:00 p.m. local time of the recipient; otherwise, delivery shall be deemed to have occurred on the following business day); if by Federal Express, Express Mail or any other guaranteed overnight delivery service, one (1) business day after delivery to such overnight delivery service provider; and if mailed by certified mail, return receipt requested, three (3) days after mailing. The notices shall be addressed to the parties as follows:

If to Lender:	Name: Prestamos CDFI, LLC Attn: [REDACTED] President Address: 1024 E Buckeye Rd Suite 270 Phoenix, AZ 85304 Phone: [REDACTED] Email: [REDACTED]@cplc.org
With Copy to:	Name: [REDACTED] General Counsel Address: 1112 E Buckeye Road Phoenix, AZ 85304 Phone: [REDACTED] Email: [REDACTED]@cplc.org
If to Service Provider:	Name: BA PPP Fin, LLC Attn: Barry Calhoun, CEO Address: 222 S Mill Ave., Suite 800 Tempe, AZ 85281 Phone: [REDACTED] Email: [REDACTED]@blueacorn.co

Either party may change its address for notice by Notice given in the manner set forth above.

- 22) **Counterparts**. This Agreement may be signed in counterparts with each counterpart being deemed an original of the document. All of such counterparts together shall constitute but one and the same instrument, binding upon all parties hereto, notwithstanding that all of such parties may not have executed the same counterpart.
- 23) **Entire Agreement**. The foregoing constitutes the entire agreement between the parties, and supersedes all prior agreements and understandings, oral or otherwise, among the parties hereto with respect to the matters contained herein. This Agreement has been drafted through a joint effort of the parties hereto and shall not be construed for or against Lender or Service Provider; instead, this Agreement shall be interpreted in accordance with the general tenor of the language hereof in an effort to reach the intended result.
- 24) **Conflict**. In the event that this Agreement conflicts with any other contract or agreement between the parties now or in the future, this Agreement will control with respect to Lender's PPP Loan Portfolio.
- 25) **Headings**. Section headings included in this Agreement are for convenience of reference only and in no way shall be used to construe or modify the provisions set forth in this Agreement.
- 26) **Lender Review of Client Books and Records**. Lender and its primary regulator may review, during normal business hours, all books and records related to Lender's clients maintained on the premises of Service Provider that are subject to regulatory supervision.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement with the intent to be legally bound hereby.

~~By: _____~~
Lender: Prestamos CDFI, LLC

By: _____
6BDC810594CC422

Name: _____

Title: President

~~By: _____~~
Service Provider: BA PPP Fin, LLC

By: _____
F8D36586246C4D5

Name: Noah Spirakus

Title: Managing Member

SCHEDULE A - LENDER FEE COMMISSIONS

Total Fees means any and all fees received on all PPP loans funded by the Lender and received from the U.S. Small Business Administration's Paycheck Protection Program pursuant to this Agreement. Unless mutually agreed to in writing by both the Lender and Service Provider, Lender shall not charge any fees, costs, handling charges, or similar expense for the receipt and disbursement of the Total Fees as set forth in this Schedule.

Lender shall pay Service Provider 70% of the Total Fees. All but 10% of fees due to Service Provider shall be distributed within five (5) business days upon receipt of fees from the U.S. Small Business Administration's Paycheck Protection Program. Service Provider payments are subject to a 10% holdback until forgiveness processing services are completed with respect to each borrower. The 10% hold back shall be distributed to Service Provider within ten (10) days of a borrower's completion of a loan forgiveness application or on the maturity date of the loan (whichever is sooner).

SCHEDULE B - LOAN FORGIVENESS FEES

If Lender requires Service Provider to complete the PPP Loan Forgiveness process, Lender shall pay Service Provider \$100 per funded loan.

LENDER SERVICE PROVIDER AGREEMENT

THIS LENDER SERVICE PROVIDER AGREEMENT (this "Agreement") is made and entered into on the 23th day of October, 2020 (the "Effective Date"), by and between **Capital Plus Financial LLC**, a Texas Limited Liability Company, ("Lender"), and **FIN CAP, INC.**, a Wyoming Corporation, ("Service Provider"). The SBA Lender's location ID number is 529472.

RECITALS:

WHEREAS, Lender is a Small Business Lending Company pursuant to 13 C.F.R. § 120.470 et seq., which engages in the origination, marketing, underwriting, and funding of loans, as well as the servicing, management and liquidation of the subsequently resulting loan portfolios, funded and created under the U.S. Small Business Administration ("SBA") 7(a) Loan Program and the SBA Paycheck Protection Program ("PPP"); and

WHEREAS, Lender has the ability to independently evaluate, process, close, service, liquidate, and litigate commercial loans; and

WHEREAS, Service Provider is a financial institution which engages in the origination, marketing, underwriting, and funding of loans, as well as the servicing, management and liquidation of the subsequently resulting loan portfolios, funded and created under the SBA 7(a) Loan Program and the PPP;

WHEREAS, Lender desires to acquire staff services from Service Provider to carry out certain functions related to the PPP Loan Portfolio rather than hiring employees directly for those same staff functions, as it believes that this will be more economical and will result in a higher level of service and expertise to provide better delivery to the small business concerns which Lender desires to assist; and

WHEREAS, Lender and Service Provider desire to establish an independent contractor relationship whereby, for the mutual benefit of Lender and Service Provider, Service Provider provides guidance, assistance and services to Lender in the origination, servicing, management and liquidation of the PPP Loan Portfolio; and

WHEREAS, Lender specifically acknowledges that, notwithstanding any other provision of this Agreement seemingly to the contrary, Lender shall at all times during the term of this Agreement, and after the expiration or earlier termination thereof, have (i) day-to-day responsibility for evaluating, processing, closing, disbursing, servicing, liquidating and litigating its PPP Loan Portfolio, (ii) ultimate responsibility for all loan decisions, including approvals, underwriting, closings, disbursements, due diligence and loan servicing and liquidation actions, as required by SBA policy, and that such responsibility must be carried out independently of any control by Service Provider, and (iii) full responsibility for all entries and certifications made by Service Provider on Lender's behalf into the SBA's E-Tran system.

NOW THEREFORE, in consideration of the mutual covenants, promises, and undertakings contained herein, and for such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

- 1) **Recitals Incorporated.** The foregoing recitals are hereby incorporated into this Agreement.
- 2) **Term.** The term of this Agreement shall be for an initial period of twelve (12) months from the Effective Date, and shall automatically renew for additional periods of six (6) months each, unless earlier terminated or if notice of non-renewal is timely provided in accordance with the provisions

Two rectangular signature boxes are located at the bottom right of the page. The first box contains the initials 'ED' and the second box contains the initials 'DMF'. Above each box is the text 'DS', likely indicating a DocuSign signature.

of Section 8, below.

3) **Independent Contractor/Service Provider Relationship.**

- a) Service Provider's relationship to Lender shall at all times be that of independent contractor, to provide a range of services more particularly described in Section 5 of this Agreement. Nothing contained in this Agreement shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venture or any association between Lender and Service Provider.
- b) Service Provider will utilize its own employees and will choose and control the methods and procedures to be used in the performance of Service Provider's obligations pursuant to the terms and provisions of this Agreement, hiring and firing its employees, paying its employees or other workers, and choosing the time when work is to be done, except as otherwise expressly set forth in this Agreement. Unless required by Lender to perform its obligations under this Agreement at Lender's offices, Service Provider shall furnish its own office facilities and transportation for the conduct of its obligations under this Agreement at its own expense.
- c) Notwithstanding the foregoing or any provision of this Agreement to the contrary, Lender and Service Provider agree that Lender, and not Service Provider, shall retain the full responsibility for all aspects of its 7(a) and PPP loan operation, including, but not limited to, approvals, closings, disbursements, servicing, actions, due diligence liquidating and litigating Lender's PPP Loan Portfolio. Service Provider only provides assistance to the Lender.

4) **Borrower Fees.** Service Provider shall not charge any fees to any borrower for the services provided hereunder or in connection therewith.

5) **Scope of Work and Compensation; Lender Obligations.** Service Provider shall provide Lender with the services described below for each loan included in the PPP Loan Portfolio (each an "Included Loan" and collectively, the "Included Loans"), for the compensation set forth herein.

a) **Origination, Servicing, Liquidation, and Administration Services.**

- i) Service Provider shall at all times during the Term of this Agreement provide the following services relating to the servicing, liquidation, and administration of Lender's PPP Loan Portfolio for the Included Loans:
 - (a) integrate the loan documents and loan data into the appropriate servicing database;
 - (b) establish a loan data tracking and borrower-communication system;
 - (c) provide software set-up to integrate Lender and the loan into the servicing portfolio module;
 - (d) provide full-time help desk support for Lender's technical issues and questions;
 - (e) provide technical assistance to Lender on generally accepted accounting principles for the accounting for each component of the loan transaction;
 - (f) perform servicing file reviews for Lender;

- (g) preparation of Federal PPLP submission to fund loans by day produced;
- (h) [Reserved];
- (i) document all servicing actions for review and approval by Lender through Lender's designated approval process and, if required by Lender, for review and approval by experienced SBA legal counsel chosen by Lender in Lender's sole discretion;
- (j) obtain SBA approval (as may be required by then-applicable SBA regulations) for all servicing actions, including but not limited to loan modifications;
- (k) assist Lender with the preparation and submission to the SBA and the FTA of all reporting documentation with respect to the Included Loans, as required by then-applicable SBA regulations;
- (l) assist Lender in obtaining, and provide guidance to Lender in reviewing, annual financial statements and tax information from all borrowers of Included Loans, to the extent required;
- (m) provide and use software technology for underwriting applications;
- (n) assist Lender with follow-up regarding all past-due Included Loan accounts, including the provision of all required notices and notifications to the SBA in connection therewith;
- (o) consult with Lender, Lender's legal counsel and the SBA regarding the compliance with SBA's then-current policies and regulations of any initial workout, litigation and/or or liquidation plan, or any liquidation action or collection efforts, as applicable, proposed with respect to any Included Loan;
- (p) consult with Lender regarding SBA guaranty purchase issues relating to Included Loans; and
- (q) upon borrower default, or if a loan otherwise passes into collection or liquidation, take any and all appropriate actions, in compliance with then-current SBA policy and regulations and prudent lending standards, to reasonably increase the likelihood of the repayment of the obligation by the delinquent or defaulting obligor, and provide Lender with a written report or reports of such actions in a mutually agreed upon format.

The foregoing services are referred to herein as the "Servicing, Liquidation and Administration Services".

b) Compensation.

- (1) In no event shall Service Provider be entitled to any split of secondary market premiums.
- (2) As compensation for, and in consideration of Service Provider providing the Origination, Servicing, Liquidation and Administrative Services, Service Provider shall be compensated as set forth in Schedule A. Notwithstanding anything to the contrary, Service Provider shall be paid for services rendered regardless of whether or not a loan closes.

- (3) All payments from a borrower must be held in an account in the Lender's name. Service Provider may be permitted to access the account in order to process borrowers' payments. If the guaranteed portion of the loan has been sold on the secondary market, the account must be properly titled in accordance with SBA Form 1086. Service Provider may not commingle any funds from multiple lenders and hereby agrees to hold a separate account for each lender client.
- c) In the event that Service Provider determines that the services of third-party specialists, such as legal counsel, are required to fully protect Lender's interests in connection with liquidation actions and guaranty purchase situations, Service Provider shall recommend, and in consultation with Lender, shall coordinate the retention of such specialists. Any specialist related expenses are the sole responsibility of the Lender.
- d) Service Provider shall not receive any fees, nor shall Service Provider have any obligations, with respect to Lender's loan portfolio other than the PPP Loan Portfolio initiated and identified by Service Provider, all other loans shall be consider excluded from this Agreement.
- e) This Agreement shall apply to work produced from all locations from which Lender conducts business
- f) Service Provider hereby agrees to perform all work within the scope of this Agreement with due diligence and within reasonable time periods to be agreed upon by Lender and Service Provider.
- g) Lender shall provide Service Provider with written notice of any material adverse change in the status or financial condition of any obligor or of any other material information related to any Included Loan (the "Material Information") within ten (10) business days of learning such information. Lender hereby represents and warrants that this obligation to provide the Material Information to Service Provider is included in its obligation to retain the day-to-day responsibility for evaluating, processing, closing, disbursing, servicing, liquidating and litigating its PPP Loan Portfolio.
- h) *Lender hereby authorizes Service Provider, at all times during the Term of this Agreement, to input data into SBA's Capital Access Financial System ("CAFS"), including SBAOne and E-Tran, the SBA's electronic platform for exchanging data with the SBA, in connection with the provision of Service Provider's Processing Services, Secondary Market Services and Servicing, Liquidation and Administration Services. Service Provider shall be authorized to input data on behalf of lender at the origination, servicing, and/or liquidation levels at E-Tran location ID # 529472. Lender acknowledges that it is fully responsible for all entries and certifications made by Service Provider on Lender's behalf into the SBA's CAFS, including SBAOne and the E-Tran system.***

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- i) ***Lender will assist Service Provider with obtaining API documentation, access to technical resources and assist with approval from the SBA for the purposes of completing systems integration with SBA's CAFS.***

6) **Costs and Expenses; Collection Expense Account.**

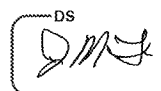
- a) Each party hereto and its accountants shall have the rights, not more than once per year, to examine and audit the other party's books and records relating to all amounts due to Service Provider pursuant to the terms and provisions of this Agreement, at such place reasonably designated by the non-requesting party, during normal business hours, upon at least fifteen (15) days prior written notice to the non-requesting party. As a condition to a party's examination and/or audit, the parties agree that the requesting party shall: (a) send to the other party promptly after receipt, a copy of any audit or report generated with respect to an examination conducted hereunder; and (b) to keep any information obtained by the requesting party or its agents strictly confidential, except that the requesting party and its accountants may divulge such information to the requesting party's employees, accountants, and attorneys, or as it may be required to be disclosed by law or by a court of competent jurisdiction. If such audit shall reveal that additional sums should have been paid, or amounts were overpaid to Service Provider, then an adjustment shall be made in the amount thereof within thirty (30) days of the date that the non-requesting party shall be in receipt of such written audit. The requesting party shall pay the cost of such audit; provided, however, that if the audit results in a sum owed to the requesting party in excess of ten percent (10%) of the total amount either paid to or paid by the requesting party pursuant to the terms of this Agreement, the non-requesting party shall pay the expense of the audit. Each party covenants and agrees that its books and records shall be maintained at its corporate headquarters for at least three (3) years from the end of the period to which they are applicable, or if any audit is undertaken by either party or a controversy or a dispute should arise between the parties hereto regarding sums owed to either party under this Agreement, until such audit, controversy or dispute is finally completed, resolved or otherwise settled, even though such retention period may be after the expiration of the Term or earlier termination of this Agreement.
- b) The terms and provisions of this Section 6 shall survive the expiration or earlier termination of this Agreement.

7) **Indemnification/Waiver/No Warranty.**

- a) Service Provider shall indemnify and hold harmless Lender and its affiliates, employees, officers and directors from any and all losses, liabilities, damages, penalties, third party claims or expenses (including reasonable attorneys' fees and cost of defense) that Lender may suffer or incur as a result of (i) any failure of the Service Provider to perform the services contemplated in this Agreement or to comply with applicable law, including failure to comply with SBA Regulations and Guidelines, (ii) any claims, breach, losses, regulatory actions, violations or penalties arising from the action or operations of Service Provider, (iii) any errors made by Service Provider in acting on behalf of Lender with respect to CAFS, or (iv) any claims, losses, or violations resulting from an act of fraud, embezzlement or criminal activity by Service Provider, except to the extent such failure, claims or errors resulted from (A) the Service Provider's good faith interpretation of regulations, policies or formal guidance issued by the SBA, U.S. Treasury or other federal agency regarding the PPP Loan Program, (B) any actions or omissions by the SBA, U.S. Treasury or other federal agency with responsibility to administer the PPP Loan Program or (C) gross negligence or willful misconduct of Lender.
- b) Lender shall indemnify and hold harmless the Service Provider and its affiliates,

employees, officers and directors from any and all third-party claims, losses, liabilities, damages, penalties or expenses (including reasonable attorneys' fees and cost of defense) that Service Provider may suffer or incur as a result of (i) any failure of Lender to perform services contemplated by this Agreement or to comply with applicable law, including failure to comply with SBA Regulations, (ii) any incorrect CAFS data provided by Lender or (iii) any claims, losses, or violations resulting from an act of fraud, embezzlement or criminal activity by the Lender, except to the extent such failure resulted from (i) Lender's good faith interpretation of regulations, policies or formal guidance issued by the SBA, U.S. Treasury or other federal agency regarding the PPP Loan Program, (ii) any actions or omissions by the SBA, U.S. Treasury or other federal agency with responsibility to administer the PPP Loan Program or (iii) gross negligence or willful misconduct of the Service Provider.

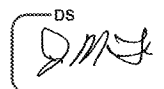
- c) If any claim or demand is asserted against any Person entitled to indemnification under this Section 7 (each, an "Indemnified Party") by any Person who is not a Party in respect of which the Indemnified Party may be entitled to indemnification under the provisions of subsections (a) or (b) above, written notice of such claim or demand shall promptly be given to the Party (the "Indemnifying Party") from whom indemnification may be sought. The Indemnifying Party shall have the right, by notifying the Indemnified Party within ten (10) days of its receipt of the notice of the claim or demand, to assume the entire control (subject to the following sentence and the right of the Indemnified Party to participate at the Indemnified Party's expense and with counsel of the Indemnified Party's choice, unless (i) the employment of such counsel has been authorized in writing by the Indemnifying Party, (ii) the Indemnifying Party has not employed counsel to take charge of the defense within ten (10) days after delivery of the applicable notice or, having elected to assume such defense, thereafter ceases its defense of such action, or (iii) the Indemnified Party has reasonably concluded that there may be defenses available to it which are different from or additional to those available to the Indemnifying Party (in which case the Indemnifying Party shall not have the right to direct the defense of such action on behalf of the Indemnified Party), in any of which event attorneys' fees and expenses shall be borne by the Indemnifying Party) of the defense, compromise or settlement of the matter, including, at the Indemnifying Party's expense, employment of counsel of the Indemnifying Party's choice and reasonably satisfactory to the Indemnified Party. The Indemnified Party or Indemnifying Party may at any time notify the other of its intention to settle or compromise any claim, suit or action against the Indemnified Party in respect of which payments may be sought by the Indemnified Party hereunder, and (x) the Indemnifying Party may settle or compromise any such claim, suit or action solely for the payment of money damages in which the Indemnified Party does not admit any liability with respect to such claim, but shall not agree to any other settlement or compromise without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld (it being agreed that any failure of an Indemnified Party to consent to any settlement or compromise involving relief other than monetary damages shall not be deemed to be unreasonably withheld), and (y) the Indemnified Party may settle or compromise any such claim, suit or action solely for an amount not exceeding One Thousand Dollars (\$1,000) in which the Indemnified Party does not admit any liability with respect to such claim, but shall not settle or compromise any other matter without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, if the claim, suit or action giving rise to the Indemnifying Party's indemnification obligation is being brought by or before the SBA or another state or federal agency, authority or other regulatory body, then the Indemnifying Party shall not have the right to direct the defense of such action on behalf of the Indemnified Party, or to settle or compromise any such claim, suit or action, unless so authorized in writing by the Indemnified Party.
- d) If the Indemnifying Party gives notice to any Indemnified Party that the Indemnifying Party

will assume control of the defense, compromise or settlement of the matter, the Indemnifying Party will be deemed to have waived all defenses to the claims for indemnification by the Indemnified Party with respect to that matter. The Indemnifying Party shall promptly notify the Indemnified Party if the Indemnifying Party desires not to assume, or participate in the defense of, any such claim, suit or action. Any damages to the assets or business of the Indemnified Party caused by a failure of the Indemnifying Party to defend, compromise or settle a claim or demand in a reasonable and expeditious manner, after the Indemnifying Party has given notice that it will assume control of the defense, compromise or settlement of the matter, shall be included in the damages for which the Indemnifying Party shall be obligated to indemnify the Indemnified Party. If the Indemnifying Party makes any payment on any third-party claim, the Indemnifying Party shall be subrogated, to the extent of such payment, to all rights and remedies of the Indemnified Party to any insurance benefits or other claims of the Indemnified Party with respect to such third-party claim. Each Party agrees to provide reasonable access to the other Party to such documents and information as may reasonably be requested in connection with the defense, negotiation or settlement of any such third-party claim.

- e) If an Indemnified Party fails to give prompt notice of any claim being made or any suit or action being commenced in respect of which indemnification under this Section 7 may be sought, such failure shall not limit the liability of the Indemnifying Party; provided, that this provision shall not be deemed to limit the Indemnifying Party's rights to recover for any Loss which it can establish resulted from such failure to give prompt notice.
- f) This Section 7 shall govern the obligations of the Parties with respect to the subject matter hereof but shall not be deemed to limit the rights which any party might otherwise have at law or in equity.
- g) No Warranties. Notwithstanding the foregoing, nothing contained in this Agreement should be construed as a warranty or guarantee by either Party of loan portfolio performance or of the enforceability of the SBA guarantee on any Included Loan and any and all such warranties are hereby disclaimed.
- h) Limitation of Liability. NEITHER PARTY WILL BE LIABLE UNDER ANY CIRCUMSTANCES FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES, OR LOST PROFITS OF ANY KIND, IN CONNECTION WITH THE TERMS OR THE BREACH OF THE TERMS OR SUBJECT MATTER OF THIS AGREEMENT, WHETHER ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT, WHETHER IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE OR OTHER THEORY). IN ADDITION, SERVICE PROVIDER WILL NOT BE LIABLE FOR ANY CLAIMS MADE OR ACTIONS TAKEN BY OR ON BEHALF OF ANY THIRD PARTY IN CONNECTION WITH INCLUDED LOANS OR RELATED SERVICES PROVIDED BY LENDER UNDER THIS AGREEMENT, TO THE EXTENT THAT LENDER WOULD NOT BE LIABLE UNDER SECTION 1106(H) OF THE CARES ACT.
- i) ANY DISPUTES RELATED TO LENDER'S LOAN DECISIONS, INCLUDING APPROVALS, AUTHORIZATIONS, UNDERWRITING, CLOSINGS, DISBURSEMENTS, DUE DILIGENCE AND LOAN SERVICING ACTIONS (INCLUDING THOSE RELATING TO AUTHORIZATION, LOAN DEFERMENTS, LOAN FORGIVENESS AND LOAN GUARANTEES) AS REQUIRED BY THE SBA, WILL BE RESOLVED BETWEEN LENDER AND THE DISPUTANT. LENDER RELEASES SERVICE PROVIDER (AND ITS AFFILIATES AND THEIR RESPECTIVE PERSONNEL) FROM CLAIMS, DEMANDS AND DAMAGES (ACTUAL AND CONSEQUENTIAL) OF EVERY KIND AND NATURE, KNOWN AND UNKNOWN, SUSPECTED AND UNSUSPECTED, DISCLOSED AND

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UNDISCLOSED, ARISING OUT OF OR IN ANY WAY CONNECTED WITH SUCH DISPUTES.

8) **Termination.**

- a) The Term of this Agreement shall renew automatically, as described in Section 2 above, unless either party hereto provides not fewer than thirty (30) days written notice to the other party prior to the expiration of the initial Term or any renewal thereof ("Notice of Non-Renewal"). Either party may terminate this Agreement at any time by giving ninety (90) days written notice to the other party hereto ("Notice of Termination").
- b) Within ten (10) days of its receipt or delivery, as the case may be, of Notice of Non-Renewal or Notice of Termination, Service Provider shall provide to Lender, in writing, a plan for providing to Lender either electronic or hard copies of any loan file material in its possession that is not otherwise in the possession of Lender. If electronic copies are to be provided, both parties shall agree upon a data format and method of transmission. Service Provider will not unreasonably withhold its co-operation in such selection and transmission. If "hard copies" (i.e., paper files) are to be provided, Lender shall pay to Service Provider the cost of producing and collating the hard copies at a cost not to exceed \$100.00 per file; all other costs of providing such information shall be borne by Lender. Service Provider shall provide all such information to Lender no later than thirty (30) days following the date of expiration or termination of this Agreement.

9) **Transition; Payment of Fees Upon Expiration or Termination.**

- a) In the event that any loan forgiveness application for an Included Loan for which Service Provider is responsible hereunder shall not be submitted to SBA or remains under review by SBA on the date of expiration or earlier termination of this Agreement, Lender may, in its sole discretion, (i) complete the loan forgiveness process itself, (ii) contract with another party (the "Replacement") to complete the loan forgiveness process, or (iii) require Service Provider to complete the loan forgiveness process for such included Loan. If Lender elects to complete the loan forgiveness process itself or contracts with the Replacement to complete the loan forgiveness process, Service Provider shall provide to Lender or, at Lender's direction, the Replacement, as promptly as is reasonably possible, all borrower and/or loan file and loan forgiveness material in its possession that is not otherwise in the possession of Lender. If Lender requires Service Provider to complete the loan forgiveness process, Service Provider shall cause such loan forgiveness process to be completed in accordance with the terms and provisions of this Agreement, and all terms and provisions of this Agreement shall remain in full force and effect with respect to each Included Loan until such time as the last loan forgiveness process to be completed by Service Provider has been completed and Service Provider has been paid in full for its services. If Lender requires service provider to complete the loan forgiveness process, Service Provider shall be entitled to additional compensation as outlined in Schedule B.
- b) Service Provider shall be entitled to all fees accrued pursuant to the terms and provisions of Section 5 above through the end of the calendar month in which this Agreement terminates, notwithstanding that the actual date of payment made by a borrower may be designated by the FTA to be in the following calendar month. By way of example, should a late payment be made by a borrower within the month in which this Agreement terminates but after the date of termination, Service Provider shall be entitled to the fees related to that payment as described above in section 5, as related to and only for services actually performed.

10) **Maintenance of Confidential Information.**

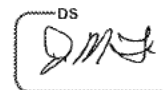
- a) The protection of confidential customer information is required at all times and Lender and Service Provider shall at all times comply with relevant state and federal regulations regarding disclosure of confidential information, including but not limited to the Gramm-Leach-Bliley Act (15 U.S.C. §§ 6801-6809) and the Fair Credit Reporting Act (15 U.S.C. § 1681 et seq.).
- b) Service Provider acknowledges that all files maintained by Lender together with any and all correspondence, papers, documents, and other materials furnished to Service Provider under this Agreement by Lender or any borrower (the "Confidential Lender Information") are confidential business information and are the property of Lender. Service Provider agrees that the Confidential Lender Information shall be maintained in strictest confidence and shall not be disclosed to any third parties except as may be required by applicable state or federal law. During the Term and following the expiration or earlier termination of this Agreement, Service Provider shall not disclose or use to its own advantage, or to the advantage of any other person or entity, any such Confidential Lender Information which Service Provider obtained as a result of either party's performance of its obligations under this Agreement. For purposes of this Agreement, "Confidential Lender Information" shall not include information that (i) is in Service Provider's possession prior to its being provided by or on behalf of Lender, (ii) is or becomes publicly available (other than through a breach of this Agreement by Service Provider), or (iii) becomes available to Service Provider on a non-confidential basis, provided that the source of such information was not known by Service Provider to be bound by a confidentiality agreement or other legal or contractual obligation of confidentiality with respect to such information.
- c) Lender acknowledges and agrees that it will have access to confidential business information and proprietary systems of Service Provider (the "Confidential Service Provider Information"). During the Term and following the expiration or earlier termination of this Agreement, Lender hereby agrees not to disclose or use to its own advantage, or to the advantage of any other person or entity any such Confidential Service Provider Information obtained as a result of either party's performance of its obligations under this Agreement. For purposes of this Agreement, "Confidential Service Provider Information" shall not include information that (i) is in Lender's possession prior to its being provided by or on behalf of Service Provider, (ii) is or becomes publicly available (other than through a breach of this Agreement by Lender), or (iii) becomes available to Lender on a non-confidential basis, provided that the source of such information was not known by Lender to be bound by a confidentiality agreement or other legal or contractual obligation of confidentiality with respect to such information.
- i) The provisions of this Section 10 shall survive the expiration or earlier termination of this Agreement and shall be enforceable by either party hereto. In the event of a breach or threatened breach by Service Provider or Lender of the provisions of this Section 10 or any portion thereof, the other party shall have the right of injunction to restrain the same and the right to invoke any remedy allowed by law or in equity whether or not other remedies, indemnity or reimbursements are herein provided.

11) **Amendments.** This Agreement may be amended only by a written instrument executed by all parties hereto. Any such amendment shall be submitted to SBA for approval. If the SBA fails to approve such amendment, then such amendment shall have no force or effect and the parties thereto shall have no obligation thereunder.

12) **Governing Law.** This Agreement shall be governed by and interpreted pursuant to the laws of

the State of Texas, excluding any conflict-of-laws rule or principle that might refer the governance or the construction of this Agreement to the law of another jurisdiction (the "Governing Law"). Notwithstanding the foregoing or any provision of this Agreement to the contrary, this Agreement is subject to all applicable laws, regulations, and policies, including all SBA Loan Program Requirements (the "SBA Requirements"). In the event that this Lender Service Provider Agreement conflicts with any other contract or agreement between the parties, now or in the future, this Lender Service Provider Agreement will control with respect to Lender's SBA loan portfolio.

- 13) **Jurisdiction.** Each party hereto irrevocably submits to the nonexclusive jurisdiction of the United States District Court for the Southern District of Texas and the state courts of the State of Texas for the purposes of any suit, action or other proceeding arising out of this Agreement. Each party hereto irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the United States District Court for the District of Texas and the state courts of the State of Texas and hereby irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in such court has been brought in an inconvenient forum.
- 14) **Arbitration.** In the event of any dispute, claim or controversy concerning, arising out of or relating to this Agreement, its effect, the breach thereof, or the transactions contemplated by it, the same shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (the "AAA Rules"). The arbitration shall be before one neutral arbitrator to be selected in accordance with the AAA Rules and whose decision shall be rendered in writing. The results of the arbitration shall be final and binding upon the parties, with costs paid by the party who does not prevail in the arbitration, and judgment on the award may be entered in any court having jurisdiction thereof. In rendering the award, the arbitrator shall determine the rights and obligations of the parties according to the substantive and procedural laws of the State of Arizona. The arbitration shall be held in Phoenix, Arizona, or at such other place as may be selected by mutual agreement of the parties. The arbitrator shall have no authority to award punitive damages or any other damages not measured by the prevailing party's actual damages, and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of this Agreement. Neither party nor the arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties, unless required to do so by order of a governmental authority, or as required by either party's auditors in connection with the preparation of audited financial statements, or as required by the disclosure requirements of any U.S. or foreign securities law, regulation or stock exchange rule, or if a petition to enforce arbitration is necessary to be filed with a court of competent jurisdiction.
- 15) **Waivers.** Except as otherwise expressly provided herein, no purported waiver by any party of any breach by the other party of any of its obligations, agreements or covenants hereunder, or any part thereof, shall be effective unless made in a writing subscribed by the party or parties sought to be bound thereby, and no failure to pursue or elect any remedy with respect to any default under or breach of any provision of this Agreement, or any part thereof, shall be deemed to be a waiver of any other subsequent similar or different default or breach, or any election of remedies available in connection therewith, nor shall the acceptance or receipt by any party of any money or other consideration due him or it under this Agreement, with or without knowledge of any breach hereunder, constitute a waiver of any provision of this Agreement with respect to such or any other breach.
- 16) **Survival.** The representations, warranties, and confidentiality, indemnity and payment obligations of the parties hereto shall survive the expiration or earlier termination of this Agreement.
- 17) **Parties Bound.** This Agreement shall be binding upon, and inure to the benefit of, Lender and

Service Provider.

- 18) **Severability.** If any provision of this Agreement or the application thereof to any person, entity or circumstance shall, for any reason and to any extent, be determined by a court of applicable jurisdiction to be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons, entities or circumstances shall not be affected thereby but rather shall be enforced to the greatest extent permitted by law.
- 19) **SBA Approval.** Receipt of SBA's written approval of this Agreement shall be a condition precedent to the obligations set forth herein. If the SBA does not approve this Agreement, this Agreement shall have no further force or effect and the parties shall be relieved from any and all obligations set forth herein. In the event that any changes, amendments or modifications to this Agreement are contemplated by the parties hereto after this Agreement is approved by the SBA, such changes shall be submitted to SBA for prior review and approval, and such approval shall be a condition to the effectiveness of any such changes, amendments or modifications.
- 20) **SBA Compliance.** Lender and Service Provider agree as follows.
- a) This Agreement is in compliance with 13 CFR 103.2, 103.5 and 13 CFR 120 et seq., as well as SBA's policies, procedures and regulations, including all PPP loan program requirements.
 - b) All compensation to Service Provider shall be paid directly by Lender and not by, or passed on by Lender to, borrowers. Such compensation is for services actually performed, as specifically set forth in this Agreement for each type of service. Lender and Service Provider are prohibited from charging the borrower for any services under the PPP.
 - c) Service Provider and Lender shall not engage in the sharing of any SBA Secondary Market premium.
 - d) Other than the contractual relationship created by this Agreement, there is no prior or existing relationship between Service Provider and Lender except for that certain Purchase Agreement.
 - e) There is no apparent conflict of interest or self-dealing regarding this Agreement.
 - f) Borrowers with respect to Included Loans under this Agreement shall not be required to purchase any service from Service Provider at any time. Lender shall inform each borrower in writing that such borrower has no obligation to employ any third party, including Service Provider or Lender, to assist with its loan forgiveness application.
 - g) Service Provider does not have any affiliation to other financial institutions, commercial lenders, CDCs, CUSOs, other lender service providers or loan brokers, except as follows: CPLC.org, Lendistry.com, Evolve Bank & Trust, Lendio.com.
 - h) The Service Provider will not assume a portion of the risk of the un-guaranteed (if any) portion of any loan.
 - i) In the event this agreement conflicts with any other contract or agreement between the parties, now or in the future, this Agreement will control with respect to the Lender's SBA Loan portfolio.
- 21) **Notices.** Unless otherwise provided herein, any approval, consent, certification, waiver, notice or

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement with the intent to be legally bound hereby.

Lender:

Capital Plus Financial LLC

By: 
Name: 
Title: CEO

Service Provider:

FIN CAP, INC.

By: 
Name: 
Title: President

SCHEDULE A - LENDER FEE COMMISSIONS

Total Fees means any and all fees received on all PPP loans funded by the Lender and received from the U.S. Small Business Administration's Paycheck Protection Program pursuant to this Agreement. Unless mutually agreed to in writing by both the Lender and Service Provider, Lender shall not charge any fees, costs, handling charges, or similar expense for the receipt and disbursement of the Total Fees as set forth in this Schedule.

Lender shall reserve up to 40% of the Total Fees received on all PPP loans funded by the Lender during this Agreement for payment to respective Referral Agents (as defined in 13 CFR Section 103.1(f)).

The remaining Total Fees shall be distributed within five (5) business days upon receipt of fees from the U.S. Small Business Administration's Paycheck Protection Program in the following manner. Lender shall pay Service Provider 47% of the remaining Total Fees. Additionally, Lender shall pay Verdigris Holdings, Inc. 6% of the remaining Total Fees.

SCHEDULE B - LOAN FORGIVENESS FEES

If Lender requires Service Provider to complete the PPP Loan Forgiveness process, Lender shall pay Service Provider \$100 per funded loan.

Exhibit A



IN THE SUPERIOR COURT OF THE STATE OF DELAWARE

FIN CAP INC. and BLUEACORN)
PPP, LLC,)
)
 Plaintiffs,)
)
 v.)
)
 PAY NERD LLC and PAYNERDIER)
 LLC,)
)
 Defendants.)

C.A. No. N21C-12-118 AML CCLD

PUBLIC VERSION FILED
JANUARY 17, 2022

COMPLAINT

Plaintiffs Fin Cap Inc. and Blueacorn PPP, LLC (together, “Blueacorn”), by and through their undersigned counsel, allege as follows against Pay Nerd LLC and PayNerdier LLC (together, “PayNerd”), based upon personal knowledge as to their own actions and upon information and belief as to all other matters:

INTRODUCTION

1. Blueacorn is a financial technology company that was founded to help small businesses—principally individuals and sole proprietorships—obtain loans under the Small Business Administration’s (“SBA’s”) Paycheck Protection Program (“PPP”). The PPP is one of the principal programs established by Congress to address the economic effects of the COVID-19 pandemic. Working as a service provider to two SBA lenders, Blueacorn offered a technology platform that helped applicants complete their applications online, and helped the lenders process those

applications, obtain SBA approval, and make the PPP loans. During the months in 2021 when the PPP was open to applicants, Blueacorn received and processed hundreds of thousands of loan applications, fulfilling Congress’s intention of putting needed cash into the hands of truck and taxi drivers, freelancers, and small merchants, among others.

2. As an incentive for lenders to make affirmative efforts to provide PPP loans to historically underserved potential borrowers, Congress structured the program to pay a fee to lenders on every loan extended. As a service provider to two such lenders, Blueacorn shared in a percentage of those fees.

3. PayNerd served as one of Blueacorn’s non-exclusive “referral agents.” Like Blueacorn’s other referral agents, PayNerd performed this function principally by buying online advertising from providers like Google and Facebook that directed potential applicants to Blueacorn’s website. PayNerd spent substantial sums on this advertising, and, in return, shared in a percentage of Blueacorn’s revenue. Under the contracts between Blueacorn and PayNerd, the precise amount of PayNerd’s fee varied depending on the means by which the applicant reached Blueacorn’s website.

4. Further, based on the volume of business that PayNerd did with Blueacorn and the revenue sharing model that tied the companies’ fortunes together, PayNerd’s principals—CEO Matthew Mandell and founder Taylor Hendricksen—

obtained special access to Blueacorn personnel and systems. They participated in senior executive meetings, interacted with managerial staff, and, as a practical matter, had the power to direct them to, among other things, generate reports about Blueacorn's loan generation activity. Indeed, Mandell installed his longtime employee Erin Valdes to act as Blueacorn's payables manager, making her responsible for outgoing payments from Blueacorn to PayNerd.

5. The scale and speed of PayNerd's spending on advertising was significant. As a result, in order to remain solvent and able to continue to provide referral services, PayNerd made various requests to Blueacorn for interim, estimated payments of its share of Blueacorn's revenue, with a final reconciliation to follow. On those terms, Blueacorn paid PayNerd more than [REDACTED] in estimated payments so that PayNerd could continue to operate.

6. In August 2021, Blueacorn began a final reconciliation and discovered that PayNerd's stated estimates of what it had earned were incorrect in a number of respects. In total, PayNerd had requested and been paid at least [REDACTED] more than it was entitled to under its contracts with Blueacorn.

7. Since the August / September timeframe, Blueacorn has attempted to engage in discussions with PayNerd aimed at reaching agreement on the precise amount that PayNerd was overpaid and obligated to return. But PayNerd has refused

to acknowledge any overpayment. This action seeks to compel PayNerd to return what it improperly claimed and collected from Blueacorn in estimated payments.

RELEVANT PARTIES

8. Plaintiff Fin Cap Inc. (“Fin Cap”) is a Wyoming corporation, with its principal place of business in Scottsdale, Arizona.

9. Plaintiff Blueacorn PPP, LLC (“Blueacorn PPP”) is a limited liability company organized under the laws of Arizona, with its principal place of business in Scottsdale, Arizona.

10. Defendant Pay Nerd LLC, d/b/a “PayNerd, LLC” (“PayNerd LLC”), is a limited liability company organized under the laws of Delaware, with its principal place of business in Mountainside, New Jersey.

11. Defendant PayNerdier LLC (“PayNerdier”) is a Wyoming limited liability company that was converted from a corporation to an LLC in June 2021 and has its principal place of business in Casper, Wyoming. Prior to being converted to an LLC in June 2021, PayNerdier existed as a Wyoming corporation that had its principal place of business in Casper, Wyoming.

JURISDICTION AND VENUE

12. The Court has subject matter jurisdiction over this action as the trial court of general jurisdiction in suits seeking monetary damages. Delaware

Constitution Art. IV, § 7; 10 *Del. C.* § 541. This action should be assigned to the Complex Commercial Litigation Division because Blueacorn’s damages exceed \$1 million.

13. The Court has personal jurisdiction over the Defendants. In the two materially identical contracts at issue, PayNerd LLC and PayNerdier consented to the jurisdiction of this Court when they agreed “that any suit to enforce any provision of this Agreement or arising out of or based upon this Agreement or the business relationship between the parties hereto shall be brought in federal or state court in Delaware.” This Court also has personal jurisdiction over PayNerd LLC and PayNerdier pursuant to 10 *Del. C.* § 3104(c) because, among other things, PayNerd LLC and PayNerdier each advertised Blueacorn’s services in Delaware to Delaware residents and charged improperly calculated fees to Blueacorn arising out of loans to Delaware residents.

14. This Court has personal jurisdiction over PayNerd LLC as a Delaware limited liability company.

15. The parties elected Delaware law to govern the two materially identical contracts at issue. The parties agreed that each agreement “shall be governed by and construed in accordance with the laws of the State of Delaware (irrespective of choice of law principles).” 6 *Del. C.* § 2708.

FACTUAL BACKGROUND

Blueacorn's Business

16. In March 2020, in response to the economic impact of the COVID-19 pandemic, Congress enacted the Paycheck Protection Program. The PPP allowed lenders approved by the Small Business Administration to offer forgivable loans to qualifying small businesses to cover various expenses, including payroll. In February 2021, the PPP was expanded to offer loans to sole proprietorships and independent contractors, among others.

17. Blueacorn is a financial technology company that provided services to two SBA-approved lenders (the "Lenders") in connection with receiving and processing PPP loan applications. Specifically, Blueacorn's technology platform helped guide applicants through a web-based loan application process on Blueacorn's website, and collected from applicants the information and documentation needed to apply for a PPP loan. Once the application information was collected, Blueacorn assisted the Lenders in evaluating the applications, submitting them to the SBA, and ensuring that approved borrowers received their funds.

18. Under the Lender Service Provider Agreements ("LSPAs") between Blueacorn and the Lenders, Blueacorn was compensated for its services by sharing

in a portion of the fees that the PPP entitled Lenders to collect from the SBA on each completed loan.

Blueacorn's Contracts with PayNerd and Other Referral Agents

19. In order to attract applicants, Blueacorn entered into agreements with a number of entities to serve as referral agents; namely, to direct potential applicants to Blueacorn's website. In total, Blueacorn entered into referral agreements with approximately 18 entities.

20. PayNerd was one of these referral agents. On February 25, 2021, Blueacorn (via Fin Cap) and PayNerd (via PayNerd LLC) entered into a Referral Program Agreement (the "February Contract," attached as Ex. A) pursuant to which Blueacorn appointed PayNerd as "a non-exclusive Referral Agent to Blueacorn." February Contract § 1. As relevant here, PayNerd's principal obligation under the February Contract was to "generate and pay for leads through paid and organic acquisition channels[.]" Ex. A at Schedule B.

21. Under the February Contract, in exchange for its services, PayNerd was entitled to a fee on completed loans if those loans were generated in one of three different ways, with the amount of the fee being determined by which generation category applied to the loan. Schedule A of the February Contract (Ex. A) defined

the three categories of loan-generation and the amount of PayNerd’s resulting fee using the following language:

PayNerd Generated - Deals that are traceable to PayNerd sales & marketing efforts[.]

- [REDACTED]

* * * *

Blueacorn Generated - Deals that are generated by Blueacorn enterprise sales & marketing efforts, but are not included in the above PayNerd Generated loans.

- [REDACTED]

* * * *

Company Generated - Loans generated without a referral partner or by other referral partners generated using the sales funnel.

- [REDACTED]

* * * *

22. Taken together, the fee-sharing provisions of the February Contract provided that PayNerd would earn the most when it had made a referral that was “traceable” to an advertisement that PayNerd had placed online or to a website that PayNerd had put on the web to garner organic traffic and direct it to Blueacorn’s website. For these “traceable” loans (defined in the Contracts as “PayNerd

Generated”), PayNerd was entitled to [REDACTED]

23. By contrast, where PayNerd had not made a traceable referral—*i.e.*, where an applicant was referred by another of Blueacorn’s referral partners or arrived organically without a traceable referral from any referral partner— [REDACTED]

[REDACTED] For these loans (defined in the contracts as “Company Generated”): [REDACTED]

24. Finally, for loans generated by Blueacorn’s own “enterprise sales & marketing efforts” (defined in the contracts as “Blueacorn Generated”), [REDACTED]

25. The February Contract also contained provisions regarding when PayNerd would be paid. Specifically, it provided that “Blueacorn will pay all

amounts due PayNerd via ACH Deposit one (1) day after the SBA fee has been received.” February Contract, Ex. A at Schedule A.

26. At the time of the February Contract between Blueacorn and PayNerd, Blueacorn only had a service provider agreement with one of the two Lenders (the “First Lender”). In April, Blueacorn entered into its LSPA with the other of the two Lenders (the “Second Lender”).

27. On April 1, 2021, Blueacorn (via Blueacorn PPP) and PayNerd (via PayNerdier) executed another Referral Program Agreement (the “April Contract,” Ex. B; and together with the February Contract, the “Contracts”), in part to extend Blueacorn and PayNerd’s existing arrangement to loans placed with the Second Lender. The payment terms of the April Contract were the same as those of the February Contract.

28. Both Contracts required PayNerd “to comply with all applicable laws, including applicable anti-spam, privacy, advertising, marketing, sales and telemarketing laws and regulations, in connection with the performance under this Agreement.” Contracts § 8.

29. Both Contracts further provided that, “[i]n any action arising from the alleged breach of this Agreement, or to enforce this Agreement, the final prevailing party will recover its reasonable attorneys’ fees, costs and expenses.” *Id.* § 10.

Estimated Payments to PayNerd

30. From February through July 2021, Blueacorn assisted the Lenders in making approximately 700,000 completed PPP loans.

31. One result of the rapidity with which Blueacorn achieved this scale was that PayNerd immediately incurred substantial costs associated with the cost of marketing Blueacorn's services. Beginning in March 2021, in order to provide PayNerd with the cash necessary to continue its marketing and referral efforts, Blueacorn and PayNerd agreed that Blueacorn would begin making advance payments to PayNerd.

32. Initially, Blueacorn's advance payments took the form of round-number wire transfers in amounts agreed upon by the parties. But starting in early April, at the request of PayNerd Chief Executive Officer Matthew Mandell, Blueacorn agreed that as the First Lender received its lending fees from the SBA, the First Lender would promptly wire a fixed percentage of those fees—well over half of Blueacorn's share—directly to PayNerd. Mandell expressly acknowledged that this split was an “advance” intended to allow PayNerd to keep operating in the short term, but that PayNerd and Blueacorn would need to reconcile later based on a determination of the precise amount that PayNerd actually earned under the Contracts.

33. Through these mechanisms, by the end of June 2021, Blueacorn had made estimated, still-to-be-reconciled payments of approximately [REDACTED] to PayNerd in connection with loans issued by the First Lender.

34. Notwithstanding these payments, Mandell reported to Blueacorn in mid-May that PayNerd was catastrophically low on funds, was in desperate straits, and was on the verge of having to cease operations. Distraught, Mandell pleaded for further cash advances from Blueacorn in order to keep operating.

35. Blueacorn accommodated PayNerd's request by agreeing to advance estimated payments of PayNerd's share of fees on loans made by the Second Lender.

36. Around this same time, in connection with creating formulas that could be applied to Blueacorn's loan data in order to calculate PayNerd's share of Blueacorn's fees under the Contracts' three-part fee schedule, an analyst for Blueacorn sent an email to Mandell on May 1, 2021, explaining that he had [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

37. In determining which formula to apply, Blueacorn relied on codes that PayNerd-created automation applied to each applicant's electronic record when the

applicant first arrived at Blueacorn’s website. Because Blueacorn had multiple referral partners besides PayNerd—and PayNerd’s own referral services were actually performed by a variety of subcontractors—PayNerd’s automated coding was intended to identify and record the specific referral partner that had created the link that an applicant clicked through in reaching the site. In other words, the coding was meant to record the referral partner to whom any particular referral could be traced. When an applicant found the website without clicking through any referral partner’s link—*i.e.*, arrived at Blueacorn’s website in a way that was not traceable to PayNerd or some other referral partner—PayNerd’s coding identified the applicant as “organic.” Blueacorn used PayNerd’s coding to generate reports in its Salesforce system.

38. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

39. On June 1, 2021, following up on Blueacorn’s agreement that it would advance PayNerd estimated fees on loans made by the Second Lender, PayNerd submitted to Blueacorn an invoice based on approximately 180,000 loans made by the Second Lender. In direct contravention of the Contracts’ terms— [REDACTED]
[REDACTED]
[REDACTED]—PayNerd improperly calculated its fees on nearly 86,000 organic loans by using the more generous “PayNerd Generated” formula. In total, PayNerd requested approximately [REDACTED].

40. Based on Mandell’s repeated entreaties that PayNerd was desperate for cash in order to continue operating, and with the parties’ understanding that the true amount owed to PayNerd would be determined and settled later, Blueacorn immediately paid PayNerd the [REDACTED] that it needed, processing wires on June 2, 3, and 4, 2021. In addition, on the same understanding, Blueacorn continued to make further estimated payments to PayNerd in June, sending PayNerd [REDACTED] on June 10 and [REDACTED] on June 16, each time noting on the wire transfer that the amounts were estimates of fees owed to PayNerd.

41. On July 7, 2021, PayNerd sent Blueacorn two additional invoices, each only a single page long and purporting to be only an “interim reconciliation.”

42. One of the invoices related to the First Lender. That invoice stated that the fees already paid to PayNerd through June 28 on loans issued by the First Lender was [REDACTED], the amount PayNerd had supposedly earned was [REDACTED], and, accordingly, the amount that PayNerd was owed was [REDACTED]. The one-page invoice contained no backup or calculations beyond these three high-level numbers.

43. On the basis that it was an interim, non-final estimate with a final reconciliation still to come at a later date, and in light of PayNerd's continuing cash crunch, Blueacorn promptly paid PayNerd the full requested amount of [REDACTED] on July 16.

44. Unbeknownst to Blueacorn, between the delivery of the invoice and Blueacorn's payment of it, the First Lender made another of its estimated payments to PayNerd, in the amount of [REDACTED]. PayNerd said nothing, simply double-collecting and keeping that amount.

45. The other July 7 invoice related to the Second Lender. That invoice stated that the fees already paid to PayNerd through June 28 on loans issued by the Second Lender was [REDACTED], the amount PayNerd had supposedly earned was [REDACTED], and, accordingly, the amount that PayNerd was owed was [REDACTED].

[REDACTED]. The one-page invoice contained no backup or calculations beyond these three high-level numbers.

46. On the basis that it was an interim, non-final estimate with a final reconciliation still to come at a later date, and in light of PayNerd's continuing cash crunch, Blueacorn promptly paid PayNerd the full requested amount of [REDACTED] on July 16.

**PayNerd Massively Misstated What It
Has Earned and Refuses to Return the Money**

47. In August 2021, Blueacorn discovered and preliminarily communicated to PayNerd that PayNerd's interim reconciliations were wrong and that PayNerd had massively overcharged Blueacorn. Thereafter, Blueacorn did its own reconciliation, with the assistance of an accounting firm, and determined that PayNerd's interim reconciliations overstated the amount that PayNerd had earned in at least the following ways:

- a. PayNerd improperly calculated the fees that it had earned on organic loans by using the more favorable "PayNerd Generated" formula rather than the applicable "Company Generated" formula, even though, as Mandell himself had already recognized, organic loans are [REDACTED] under the Contracts' terms.

- b. PayNerd improperly calculated the fees that it was owed based on money that Blueacorn has not yet received from the Lenders. Both Lenders hold back a small percentage of the fees that Blueacorn has earned on every loan until certain conditions are met; principally, that the loan has either been paid off by the borrower or forgiven by the SBA (“Holdback Amounts”). Although the Contracts provide that PayNerd is only to be paid a share of fees “received by Blueacorn,” PayNerd calculated the amount it was owed based not just on fees that Blueacorn had received, but also on the Holdback Amounts that Blueacorn has not yet received.
- c. PayNerd improperly calculated the fees that it was owed based on money that Blueacorn has not yet finally earned. Even after the SBA has approved a loan and paid the Lender its fees, there are various reasons why a borrower’s loan might not be completed and the fees might need to be returned to the SBA. In calculating the amount that it was owed, PayNerd included fees on loans that were not yet completed.

- d. PayNerd improperly failed to update the amount that it had been paid by the First Lender to include the [REDACTED] that the First Lender paid PayNerd after the interim reconciliation was issued. Accordingly, when Blueacorn subsequently paid PayNerd the amount that PayNerd claimed was due in the interim reconciliation, PayNerd double-collected that amount.

48. Throughout September, October, and November, Blueacorn engaged in discussions to try to collect the overpayment that PayNerd improperly invoiced and collected. PayNerd refused to return any of the money. Instead, PayNerd sent Blueacorn a series of further invoices demanding payment for amounts that PayNerd has not earned under the Contracts, including another single-page “Interim Reconciliation” dated October 19, 2021, that apparently repeats the errors described in the preceding paragraph, claims incorrectly that PayNerd has earned [REDACTED], and improperly seeks payment of another [REDACTED] as the difference between what PayNerd has supposedly earned and what it has been paid to date.

49. The amounts in PayNerd’s bogus invoices are wrong. As of November 30, 2021, Blueacorn’s reconciliation established that PayNerd had earned no more than [REDACTED], and had been paid approximately [REDACTED],

for a minimum overcollection by PayNerd of [REDACTED]. Although that calculation addresses (among other things) the fact that PayNerd improperly claimed that “organic” applications were “PayNerd Generated,” Blueacorn is presently unable to determine how many *other* loans PayNerd has improperly claimed as PayNerd Generated, since PayNerd controls the automated coding that was meant to record whether a particular referral could be sufficiently traced to itself or any other referral partner. If the other loans that PayNerd has claimed as PayNerd Generated are not, in fact, sufficiently traceable to PayNerd, then PayNerd would have earned as little as [REDACTED], for an overcollection by November 30, 2021 of at least [REDACTED].

50. Since November 30, 2021, the Second Lender has released a Holdback Amount of [REDACTED] to Blueacorn. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

COUNT I
Breach of Contract

51. The allegations of all preceding paragraphs are incorporated and realleged herein.

52. The February Contract is a valid, binding, and enforceable contract between Fin Cap and PayNerd LLC that is governed by Delaware law. The April Contract is a valid, binding, and enforceable contract between Blueacorn PPP and PayNerdier that is governed by Delaware law.

53. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

54. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] This included, without limitation, (a) invoicing Blueacorn for, and being paid by Blueacorn and accepting payment for, loans that are not traceable to PayNerd within the meaning of the Contracts; (b) invoicing Blueacorn, and being paid by Blueacorn and accepting payment, based on fee amounts not received by Blueacorn; (c) invoicing Blueacorn for, and being paid by Blueacorn and accepting

payment for, loans that were not extended to the borrower; (d) failing and omitting to inform Blueacorn that invoices in process for payment had already been paid; and (e) being paid by Blueacorn and accepting double payments, *i.e.*, payments for amounts that had already been paid in full.

55. The Contracts required PayNerd to comply with all applicable laws in connection with the Contracts. PayNerd also breached the Contracts because its false invoicing and collection practices, set forth in the preceding paragraphs, violated applicable law. For example, the Arizona Consumer Fraud Act provides that “the act, use or employment by any person of any deception, deceptive or unfair act or practice, fraud, false pretense, false promise, misrepresentation, or concealment, suppression or omission of any material fact with intent that others rely on such concealment, suppression or omission, in connection with the sale or advertisement of any merchandise [*i.e.*, any object, wares, goods, commodities, intangibles, real estate or services]” is “an unlawful practice.” Ariz. Rev. State. Ann § 44-1522. The laws of New Jersey and Wyoming similarly prohibit false and deceptive trade practices. PayNerd’s false invoicing and collections practices, false statements in and in connection with their invoices, and omissions (including omitting to inform Blueacorn when open invoices had been satisfied and therefore

double-collecting) violated these statutory prohibitions, which in turn breached the Contracts.

56. Blueacorn has been damaged by PayNerd's breaches, and each of them, in an amount to be proved at trial.

COUNT II
Breach of the Implied Covenant of Good Faith and Fair Dealing

57. The allegations of all preceding paragraphs are incorporated and realleged herein.

58. The Contracts are valid and binding contracts governed by Delaware law. Each Contract includes an implied covenant of good faith and fair dealing.

59. The Contracts expressly set forth payment terms, pursuant to which PayNerd agreed to be paid, and Blueacorn agreed to pay PayNerd, as and only as set forth in Schedule A to each Contract.

60. As set forth in Count I, PayNerd breached the express terms of the Contracts. In addition and in the alternative to Count I, PayNerd's practices as set forth in the preceding paragraphs and herein breached PayNerd's implied obligation under each Contract not to invoice and seek payment on a basis not set forth in Schedule A.

61. PayNerd materially breached the implied covenant [REDACTED]
[REDACTED]

[REDACTED] This included, without limitation, (a) invoicing Blueacorn for, and being paid by Blueacorn and accepting payment for, loans that are not traceable to PayNerd within the meaning of the Contracts; (b) invoicing Blueacorn, and being paid by Blueacorn and accepting payment, based on fee amounts not received by Blueacorn; (c) invoicing Blueacorn for, and being paid by Blueacorn and accepting payment for, loans that were not extended to the borrower; (d) failing and omitting to inform Blueacorn that invoices in process for payment had already been paid; (e) being paid by Blueacorn and accepting double payments, *i.e.*, payments for amounts that had already been paid in full; and (f) failing to repay any and all overpaid or wrongly paid amounts.

62. In the alternative to Count I, to the extent any or all of these practices is deemed not to be prohibited by the express terms of the Contracts, had the parties considered the possibility that PayNerd would seek and obtain payment in this manner and outside of what Schedule A provides, Blueacorn alleges that the parties would have expressly prohibited each of these practices and would have expressly imposed on PayNerd an obligation to repay any wrongfully paid or otherwise overpaid amount, and that the Contracts implicitly require the same.

63. Blueacorn has been damaged by PayNerd's breach in an amount to be proved at trial.

COUNT III
Unjust Enrichment

64. The allegations of all preceding paragraphs are incorporated and realleged herein.

65. PayNerd received an unjust and unauthorized financial benefit as a result of Blueacorn's overpayment to PayNerd set forth in the preceding paragraphs. PayNerd has accordingly been unjustly enriched at the expense of and to the detriment of Blueacorn.

66. In addition to and in the alternative to Counts I and II, PayNerd is liable to Blueacorn for unjust enrichment. It would be unconscionable and against the fundamental principles of justice, equity, and good conscience for PayNerd to retain the monies that it has received from Blueacorn in excess of what it is owed under the Contracts.

67. Blueacorn has been and continues to be damaged by PayNerd's unjust enrichment in an amount to be proved at trial.

COUNT IV
Promissory Estoppel

68. The allegations of all preceding paragraphs are incorporated and realleged herein.

69. Blueacorn agreed to make estimated payments to PayNerd to ensure PayNerd had access to the liquidity necessary to pay its third-party advertising partners. Blueacorn did this in reliance on PayNerd's promise that, after a full reconciliation, Blueacorn would be reimbursed for any overpayment. PayNerd reasonably expected that its promise would induce Blueacorn to make estimated payments to PayNerd, and Blueacorn would not have made estimated payments to PayNerd but for PayNerd's promise that it would not be prejudiced by doing so because it would ultimately be reimbursed for any overpayments.

70. Blueacorn detrimentally relied on PayNerd's promise. As a result of Blueacorn's reasonable reliance, it has been damaged in an amount to be proved at trial. Injustice can only be avoided by compensating Blueacorn for the money damages it sustained because of PayNerd's promise.

COUNT V
Declaratory Judgment (10 Del. C. §§ 6501 and 6502)

71. The allegations of all preceding paragraphs are incorporated and realleged herein.

72. There are a substantial number of pending loans that are still being processed and for which Blueacorn has not yet received SBA fees. Fees that are paid to Blueacorn for these loans will be shared with PayNerd pursuant to the Contracts.

73. [REDACTED]

74. Accordingly, there is an actual controversy between the parties, as it involves the rights and legal relations of the parties under the Contracts; the claim is asserted against the Defendants, who have an interest in contesting the claim; the controversy is between the parties whose interests are real and adverse; and the issues involved in the dispute are ripe for judicial determination.

75. Blueacorn seeks a declaratory judgment that organic loans issued to PPP applicants that arrived at Blueacorn's website from a non-traceable source [REDACTED]

COUNT VI
Violation of the Arizona Consumer Fraud Act
(Ariz. Rev. Stat. Ann. §§ 44-1521, *et seq.*)

76. The allegations of all preceding paragraphs are incorporated and realleged herein.

77. The Contracts govern PayNerd's sale of advertising services to Blueacorn, which constitute "merchandise" as defined in A.R.S. §44-1521.

78. The conduct described in the preceding paragraphs of this Complaint constitutes deception, deceptive or unfair acts or practices, fraud, false pretenses, false promises, misrepresentations, or concealment, suppression or omission of material facts with intent that others rely on such concealment, suppression or omission, in connection with the sale or advertisement of merchandise in violation of A.R.S. § 44-1522, including:

- a. PayNerd submitted invoices to Blueacorn that falsely categorized organic loans as “PayNerd Generated” loans. PayNerd knowingly and intentionally misrepresented the treatment of these loans on its invoices. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]. Blueacorn has been consequently and

proximately injured as a result of its reliance on PayNerd’s

willful fraud and deception.

- b. PayNerd submitted invoices to Blueacorn, and accepted payment from Blueacorn, for fees that Blueacorn has not yet received from the Lenders. Although the Contracts provide that PayNerd is only to be paid a share of fees “received by Blueacorn,” and PayNerd was aware that the Lenders retain Holdback Amounts on every loan, PayNerd invoiced Blueacorn for Holdback Amounts on each loan. In reliance on these invoices, Blueacorn substantially overpaid PayNerd by including the Holdback Amounts in its payments. Blueacorn has been consequently and proximately injured as a result of its reliance on PayNerd’s unfair invoicing practices.
- c. PayNerd submitted invoices to Blueacorn, and accepted payment from Blueacorn, for fees associated with loans that have not been extended to the borrower, for which Blueacorn has not yet earned SBA fees. Although PayNerd was aware that there are various reasons why a borrower’s loan might not be completed and the fees might need to be returned to the SBA, PayNerd invoiced for fees on loans that were not yet completed. In reliance on these

unfair invoicing practices, Blueacorn overpaid PayNerd and has been consequently and proximately injured as a result.

- d. PayNerd concealed and failed to inform Blueacorn that invoices in process for payment had already been paid, and concealed and failed to inform Blueacorn that it accepted double payments, *i.e.*, payments for amounts that had already been paid in full, for certain loans paid under the Contracts. Blueacorn concealed and omitted these material facts with the intention that Blueacorn double-pay PayNerd for certain loans eligible for fee sharing under the Contracts. In reliance on these concealments and omissions, Blueacorn double-paid PayNerd for certain loans and has been consequently and proximately injured as a result.
- e. With the intention of inducing Blueacorn to advance estimated payments to PayNerd to ensure PayNerd had access to the liquidity necessary to pay its third-party advertising partners, PayNerd falsely promised Blueacorn that, after a full reconciliation, Blueacorn would be reimbursed for any overpayment. Blueacorn relied on PayNerd's false promise, and would not have made estimated payments to PayNerd but for

PayNerd's promise that it would not be prejudiced by doing so because it would ultimately be reimbursed for any overpayments. Blueacorn has consequently and proximately been injured as a result of PayNerd's false promise.

79. Blueacorn has been damaged by PayNerd's violations of the Arizona Consumer Fraud Act, and each of them, in an amount to be proved at trial.

PRAYER FOR RELIEF

WHEREFORE, Blueacorn respectfully requests that this Court enter judgment in its favor awarding to it:

- A. Compensatory damages sufficient to compensate Blueacorn in an amount to be proved at trial but not less than [REDACTED]
- B. Declaratory relief;
- C. Attorneys' fees, costs and expenses, pursuant to the Contracts and otherwise to the full extent permitted by law;
- D. Pre- and post-judgment interest; and
- E. Such other and further relief as the Court may deem just or proper.

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Dated: December 17, 2021

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Blueacorn Group
January 1, 2021 - February 28, 2022

	Total
Income	
Fees (Cap Plus)	\$385,907,385.42
Fees (Prestamos)	\$700,145,194.84
Total Income	\$1,086,052,580.26
 Cost of Affiliate Partner Marketing Services	
Marketing Affiliate Partner Payouts (PayNerdier)	\$428,833,304.84
Marketing Affiliate Partner Payouts (PayNerd)	\$237,575,945.81
Marketing Affiliate Partners (Other)	\$15,794,312.90
Total cost of Affiliate Partner Marketing Services	\$682,203,563.55
 Gross Profit	\$403,849,016.71
 Expenses & Payouts	
Contracted Services	
<i>Technology</i>	\$51,597,240.00
<i>Customer Service & Support</i>	\$8,103,229.87
<i>Eligibility Verification</i>	\$13,713,563.35
<i>Fraud Prevention</i>	\$8,682,207.70
<i>Management (Net Intercompany)</i>	\$16,788,462.36
<i>Other G&A</i>	\$1,721,438.66
Total Contracted Services	\$100,606,141.94
Staffing	
<i>Wages & Salaries (Non-Officers)</i>	\$837,275.51
<i>Payroll taxes</i>	\$64,554.94
<i>Employee Reimbursable Expenses</i>	\$51,519.37
<i>Payroll Processing Expenses</i>	\$8,876.35
Total Staffing	\$962,226.17
Accounting	\$225,701.93
Legal	\$8,216,282.03
Bank Service Fees	\$2,026.59
Office Supplies & Equipment	\$11,357.85
Technology Software Subscriptions	\$36,754.33
Marketing Expense	\$777,968.38
Insurance	\$117,917.17
Interest Expense	\$9,000.00
Meals & Entertainment	\$159.03
Redemptions/Payouts	\$258,137,457.31
Total Expenses & Payouts	\$369,102,992.73
 Net Operating Income	\$34,746,023.98

Other Income	
Interest Income	\$3,575.04
Total Other Income	\$3,575.04
<hr/>	
Net Income	\$34,749,599.02
<hr/>	

Paycheck Protection Program Loan Forgiveness Application (SBA Form 3508S)

Please Note: This document reflects the information provided by the Borrower in connection with the online PPP Loan Forgiveness Application submitted electronically by the Borrower through Bank of America. It does not include all of the instructions and other text the Borrower saw as it completed the online Application.

A BORROWER MAY USE THIS FORM ONLY IF THE BORROWER RECEIVED A PPP LOAN OF \$150,000 OR LESS.

PPP Loan Forgiveness Application

This application is for a **First Draw PPP Loan**.

Business Information

Business Legal Name ("Borrower") Nathan Reis
DBA or Tradename, if applicable
Business TIN (EIN, SSN)

The business address, business phone and e-mail address associated with the Borrower's Online Banking profile as of the date you submit this forgiveness application to us will be used for purposes of this loan forgiveness application. Before submitting this application, please log into your Online Banking profile to review this information and update it, if necessary.

Primary Contact Information

Primary contact name
NATHAN J REIS

Phone number

Paycheck Protection Program Loan Information

SBA PPP loan number 3510607208
Lender PPP loan number 51004106952152

PPP maximum forgivable loan amount \$18,758.00
PPP loan disbursement date 04/27/2020

Employees

The total number of employees at the time of the Borrower's PPP Loan Application
1

The total number of employees at the time the Borrower is applying for loan forgiveness
1

Covered Period

I elect to use:
 24-week Covered Period 8-week Covered Period Flexible Covered Period

Covered Period start date 04/27/2020
Covered Period end date 10/11/2020

Did Borrower, (together with Affiliates, if applicable) receive First Draw PPP Loans of \$2 million or more or Second Draw PPP Loans of \$2 million or more?

Select "Yes" if the Borrower, together with its affiliates (to the extent required under subsection D.3. of SBA's interim final rule posted on January 6, 2021 (86 FR 3692) and not waived under 15 U.S.C. 636(a)(36)(D)(iv)), received (a) First Draw PPP Loans with an original principal amount of \$2 million or more (if this is a First Draw PPP Loan forgiveness application), or (b) Second Draw PPP Loans with an original principal amount of \$2 million or more (if this is a Second Draw PPP Loan forgiveness application).

Yes No

Paycheck Protection Program Loan Forgiveness Application (SBA Form 3508S)

PPP Loan Forgiveness Amount**PPP Maximum Forgivable Loan Amount:**

\$18,758.00

Amount of Loan Spent on Payroll Costs:

\$18,758.00

Requested Loan Forgiveness Amount:

\$18,758.00

Summary**Total Requested Forgiveness Amount** **\$18,758.00****Difference** **\$0.00**

Please refer to your PPP loan account in online banking for your PPP loan amount. If your PPP loan amount is greater than your PPP Maximum Forgivable Loan Amount, your remaining PPP loan balance will be greater than the "Difference" amount reflected above. The "Difference" is the amount remaining when subtracting your Total Requested Loan Forgiveness Amount from your PPP Maximum Forgivable Loan Amount. Any amount that is not forgiven by the SBA will be reflected in online banking as your PPP loan balance that must be repaid pursuant to the terms and conditions set forth in your Promissory Note, Repayment Letter and applicable SBA and Treasury Rules.

Representations and Certifications

By signing this PPP loan forgiveness application, you make the following representations and certifications on behalf of Borrower.

I, NATHAN J REIS, the authorized representative of Borrower certify to all of the below by initialing next to each one. By clicking each box below, you are deemed to each of the representations and certifications below for purposes of this PPP loan forgiveness application.

- The Borrower has complied with all requirements in the Paycheck Protection Program Rules (Sections 7(a)(36), (7)(a)(37), and 7A of the Small Business Act, the PPP interim final rules, and guidance issued by SBA through the date of this application), including the rules related to:
- eligible uses of PPP loan proceeds;
 - the amount of PPP loan proceeds that must be used for payroll costs;
 - the calculation and documentation of the Borrower's revenue reduction (if applicable); and
 - the calculation of the Borrower's Requested Loan Forgiveness Amount.

Information regarding these requirements may be found in the Form 3508S Instructions and the Paycheck Protection Program Rules.

- The information provided in this application is true and correct in all material respects. I understand that knowingly making a false statement to obtain forgiveness of an SBA-guaranteed loan is punishable under the law, including 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

Following submission of this forgiveness application, the Borrower must retain all records necessary to prove compliance with Paycheck Protection Program Rules for four years for employment records and for three years for all other records. SBA may request additional information for the purposes of evaluating the Borrower's eligibility for the PPP loan and for loan forgiveness, and the Borrower's failure to provide information requested by SBA may result in a determination that the Borrower was ineligible for the PPP loan or in a denial of the Borrower's loan forgiveness application.

The Borrower's eligibility for loan forgiveness will be evaluated in accordance with the Paycheck Protection Program Rules. SBA may direct a lender to disapprove the Borrower's loan forgiveness application if SBA determines that the Borrower was ineligible for the PPP loan.

E-Consent

This document, and the records populated based on the information provided herein, may be in the form of Electronic Records and may be executed using Electronic Signatures and shall be considered originals and shall have the same legal effect, validity and enforceability as paper records. For purposes hereof, "Electronic Record" and "Electronic Signature" shall have the meanings assigned to them, respectively, by 15 USC Section 7006, as it may be amended from time to time. The information provided herein will be used to populate SBA Form 3508S and PPP Borrower Demographic Information Form that can be found on (and downloaded from) Online Banking.

Paycheck Protection Program Loan Forgiveness Application (SBA Form 3508S)

Borrower

Your signature as an "authorized representative" of Borrower is a representation to Bank of America, N.A. that you are authorized to make the representations and certifications contained herein and in all supporting documentation.

By checking this box, you acknowledge that your electronic signature as authorized representative for the Borrower will be applied to this Forgiveness Application and will have the same legal effect as a handwritten signature.

Borrower

Nathan Reis

By: NATHAN J REIS
Signature of Authorized Representative

Date: February 22, 2021

Print Name

NATHAN J REIS

E-consent Date/Time Stamp
2021-02-22T18:29:55.967Z

Title: Authorized Representative

PPP Borrower Demographic Information Form (Optional)

- Purpose: The Small Business Administration is collecting this veteran/gender/race/ethnicity data for program reporting purposes only.
- Description: This form requests information about each of the Borrower's Principals.
- Definition of Principal
 - For a self-employed individual, independent contractor, or a sole proprietor, the self-employed individual, independent contractor, or sole proprietor.
 - For a partnership, all general partners and all limited partners owning 20% or more of the equity of the Borrower, or any partner that is involved in the management of the Borrower's business.
 - For a corporation, all owners of 20% or more of the Borrower, and each officer and director.
 - For a limited liability company, all members owning 20% or more of the Borrower, and each officer and director.
 - Any individual hired by the Borrower to manage the day-to-day operations of the Borrower ("key employee").
 - Any trustor (if the Borrower is owned by a trust).
 - For a nonprofit organization, the officers and directors of the Borrower.
- Principal Name. Insert the full name of the Principal
- Position. Identify the Principal's position; for example, self-employed individual; independent contractor; sole proprietor; general partner; owner; officer; director; member; or key employee.

Disclosure is voluntary and will have no bearing on the loan forgiveness decision.

I, as an authorized representative of the Borrower, have elected not to complete the (optional) PPP Borrower Demographic Information Form.

Principal 1

First name	Middle name	Last name
Nathan		Reis

Position	Gender	Ethnicity
Owner	Male	Not Hispanic or Latino

Race(select one or more)

- American Indian or Alaska Native Asian Black or African-American Native Hawaiian or Pacific Islander
- White Not Disclosed

Veteran status

Non-Veteran

Paycheck Protection Program Loan Forgiveness Application (SBA Form 3508S)

PPP LOAN FORGIVENESS APPLICATION FORM 3508S INSTRUCTIONS FOR BORROWERS

You (the Borrower) can apply for forgiveness of your First or Second Draw Paycheck Protection Program (PPP) Loan using this SBA Form 3508S only if the loan amount you received from your Lender was \$150,000 or less for an individual First or Second Draw PPP Loan. If you are not eligible to use this form, you must apply for forgiveness of your PPP loan using SBA Form 3508 or 3508EZ (or lender's equivalent form). Each PPP loan must use a separate loan forgiveness application form. You cannot use one form to apply for forgiveness of both a First and Second Draw PPP loan.

SBA Form 3508S requires fewer calculations and less documentation for eligible borrowers. SBA Form 3508S does not require borrowers to show the calculations used to determine their loan forgiveness amount. However, SBA may request information and documents to review those calculations as part of its loan review or audit processes. Complete this SBA Form 3508S in accordance with the instructions below, and **submit it to your Lender** (or the Lender that is servicing your loan). Borrowers may also complete this application electronically through their Lender.

If this application is being submitted for a First Draw PPP Loan approved on or before August 8, 2020 and the Borrower is required to submit an SBA Form 3508D disclosure of a controlling interest, that disclosure must be submitted to the lender not later than 30 days after submission of this loan forgiveness application. See subsection B.16 of SBA's interim final rule posted on January 6, 2021 (86 FR 3692). If this loan forgiveness application is being submitted for a Second Draw PPP Loan, the Borrower must submit simultaneously to its lender documentation supporting the gross receipts reduction certification on the Borrower's loan application (if the Borrower did not previously submit such documentation to the lender).

Instructions for PPP Loan Forgiveness Application Form 3508S

Business Legal Name ("Borrower")/DBA or Tradename (if applicable)/Business TIN (EIN, SSN): Enter the same information as on your Borrower Application Form (SBA Form 2483, SBA Form 2483-SD, or lender's equivalent).

Business Address/NAICS Code/Business Phone/Primary Contact/E-mail Address: Enter the same information as on your Borrower Application Form, unless there has been a change in address or contact information. If NAICS Code was not on the Borrower Application Form, match the business activity code provided on IRS income tax filings, if applicable.

First Draw PPP Loan or Second Draw PPP Loan: Select the box that describes the PPP loan that this forgiveness application is for. If you only have one PPP loan, select First Draw PPP Loan.

SBA PPP Loan Number: Enter the loan number assigned by SBA at the time of loan approval. Request this number from the Lender if necessary.

Lender PPP Loan Number: Enter the loan number assigned to the PPP loan by the Lender.

PPP Loan Amount: Enter the disbursed principal amount of the PPP loan (the total loan amount you received from the Lender).

PPP Loan Disbursement Date: Enter the date that you received the PPP loan proceeds from the Lender. If loan proceeds were received on more than one date, enter the first date on which you received PPP loan proceeds. If you received an authorized increase on your First Draw PPP Loan after December 27, 2020, you must enter the date on which you received the original disbursement of your PPP loan proceeds.

Employees at Time of Loan Application: Enter the total number of employees at the time of the PPP loan application.

Employees at Time of Forgiveness Application: Enter the total number of employees at the time the Borrower is applying for loan forgiveness.

Covered Period: The Covered Period begins on the date the loan was originally disbursed. It ends on a date selected by the Borrower that is at least 8 weeks following the date of loan disbursement and not more than 24 weeks after the date of loan disbursement. For example, if the Borrower received their PPP loan proceeds on Monday, April 20, 2020, the first day of the Covered Period is Monday, April 20, 2020, and the final day of the Covered Period is any date selected by the Borrower between Sunday, June 14, 2020, and Sunday, October 4, 2020.

If Borrower, Together with its Affiliates, if Applicable, Received First Draw PPP Loans of \$2 Million or More or Second Draw PPP Loans of \$2 Million or More: Check the box if the Borrower, together with its affiliates (to the extent required under subsection D.3. of SBA's interim final rule posted on January 6, 2021 (86 FR 3692) and not waived under 15 U.S.C. 636(a)(36)(D)(iv)), received (a) First Draw PPP Loans with an original principal amount of \$2 million or more (if this is a First Draw PPP Loan forgiveness application), or (b) Second Draw PPP Loans with an original principal amount of \$2 million or more (if this is a Second Draw PPP Loan forgiveness application).

Amount of Loan Spent on Payroll Costs: Borrowers are generally eligible for forgiveness for the payroll costs incurred during the Covered Period. To calculate eligible payroll costs incurred or paid during the Covered Period, add Cash Compensation, Employee Benefits, and Owner Compensation, as follows:

Cash Compensation: The sum of gross salary, gross wages, gross tips, gross commissions, paid leave (vacation, family, medical or sick leave, not including leave covered by the Families First Coronavirus Response Act), and allowances for dismissal or separation paid or incurred during the Covered Period. Do not include qualified wages taken into account in determining the Employer Retention Credit. For each individual employee, the total amount of cash compensation eligible for forgiveness may not exceed an annual salary of \$100,000, as prorated for the Covered Period. For example, for an 8-week Covered Period, the maximum is \$15,385; for a 24-week Covered Period, the maximum is \$46,154. You can only include compensation of employees who were employed by the Borrower at any point during the Covered Period and whose principal place of residence is in the United States.

Paycheck Protection Program Loan Forgiveness Application (SBA Form 3508S)

Employee Benefits: The total amount paid by the Borrower for:

1. Employer contributions for employee group health, life, disability, vision, or dental insurance, including employer contributions to a self-insured, employer-sponsored group health plan, but excluding any pre-tax or after-tax contributions by employees. Do not add contributions for these benefits made on behalf of a self-employed individual, general partners, or owner-employees of an S-corporation, because such payments are already included in their compensation.
2. Employer contributions to employee retirement plans, excluding any pre-tax or after-tax contributions by employees. Do not add employer retirement contributions made on behalf of a self-employed individual or general partners, because such payments are already included in their compensation.
3. Employer state and local taxes paid by the Borrower and assessed on employee compensation (e.g., state unemployment insurance tax), excluding any taxes withheld from employee earnings.

Owner Compensation: Any amounts the Borrower paid to owners (owner-employees (with an ownership stake of 5% or more), a self-employed individual, or general partners). For each individual owner in total across all businesses, this amount is capped at (a) \$20,833 (the 2.5-month equivalent of \$100,000 per year), or (b) the 2.5-month equivalent of the individual's applicable compensation in the year that was used to calculate the loan amount (2019 or 2020), whichever is lower.

Payroll costs are considered paid on the day that paychecks are distributed or that the Borrower originates an ACH credit transaction. Payroll costs are considered incurred on the day that the employee's pay is earned. Payroll costs incurred but not paid during the Borrower's last pay period of the Covered Period are eligible for forgiveness if paid on or before the next regular payroll date. Otherwise, payroll costs must be paid during the Covered Period. Count payroll costs that were both paid and incurred only once. Include only payroll costs for employees whose principal place of residence is in the United States. For information on what qualifies as payroll costs, see SBA's interim final rule posted on January 6, 2021 (86 FR 3692).

Requested Loan Forgiveness Amount: Enter the total amount of your PPP loan that is eligible for loan forgiveness. This amount is the "Amount of Loan Spent on Payroll Costs" plus any amount spent on eligible nonpayroll costs (described below) minus any required reductions (described below), up to the principal amount of the PPP loan.

Nonpayroll Costs: Eligible nonpayroll costs consist of:

- a. covered mortgage obligations: payments of mortgage interest (not including any prepayment or payment of principal) on any business mortgage obligation on real or personal property incurred before February 15, 2020 ("business mortgage interest payments");
- b. covered rent obligations: business rent or lease payments pursuant to lease agreements for real or personal property in force before February 15, 2020 ("business rent or lease payments");
- c. covered utility payments: business payments for a service for the distribution of electricity, gas, water, telephone, transportation, or internet access for which service began before February 15, 2020 ("business utility payments");
- d. covered operations expenditures: payments for any business software or cloud computing service that facilitates business operations, product or service delivery, the processing, payment, or tracking of payroll expenses, human resources, sales and billing functions, or accounting of tracking of supplies, inventory, records, and expenses;
- e. covered property damage costs: costs related to property damage and vandalism or looting due to public disturbances that occurred during 2020 that were not covered by insurance or other compensation;
- f. covered supplier costs: expenditures made to a supplier of goods for the supply of goods that are essential to the operations of the Borrower at the time at which the expenditure is made, and made pursuant to a contract, order, or purchase order in effect prior to the beginning of the Covered Period (for perishable goods, the contract, order, or purchase order may have been in effect before or at any time during the Covered Period); and
- g. covered worker protection expenditures: operating or capital expenditures that facilitate the adaptation of the business activities of an entity to comply with the requirements established or guidance issued by the Department of Health and Human Services, the Centers for Disease Control, or the Occupational Safety and Health Administration, or any equivalent requirements established or guidance issued by a State or local government, during the period starting March 1, 2020 and ending on the date on which the national emergency declared by the President with respect to the Coronavirus Disease 2019 (COVID-19) expires related to maintenance standards for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19, but does not include residential real property or intangible property.

Eligible nonpayroll costs cannot exceed 40% of the total forgiveness amount. An eligible nonpayroll cost must be either paid during the Covered Period or incurred during the Covered Period and paid on or before the next regular billing date, even if the billing date is after the Covered Period. Count nonpayroll costs that were both paid and incurred only once.

FTE and Salary/Wage Reductions: Borrowers that received a PPP loan of more than \$50,000 and Borrowers of \$50,000 or less that together with their affiliates received First Draw PPP Loans totaling \$2 million or more or Second Draw PPP Loans totaling \$2 million or more must adjust their "Requested Loan Forgiveness Amount" due to statutory requirements concerning reductions in either full-time equivalent employees or employee salary and wages. Such a Borrower is not subject to any reductions if the Authorized Representative of the Borrower can attest (1) that the Borrower did not reduce annual salaries or hourly wages of any employee by more than 25 percent during the Covered Period compared to the most recent full quarter before the Covered Period, and (2) that either (a) the Borrower did not reduce the number of employees or the average paid hours of employees between January 1, 2020 and the end of the Covered Period or (b) the Borrower was unable to operate during the Covered Period at the same level of business activity as before February 15, 2020, due to compliance with requirements established or guidance issued between March 1, 2020, and December 31, 2020 (or, for a PPP loan made after December 27, 2020, requirements established or guidance issued between March 1, 2020 and the last day of the Covered Period) by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration,

Paycheck Protection Program Loan Forgiveness Application (SBA Form 3508S)

related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19. If the Borrower does not satisfy these requirements and is potentially subject to reductions in its Requested Loan Forgiveness Amount, the Borrower must follow SBA Form 3508 and its instructions to calculate its Requested Loan Forgiveness Amount. The Borrower is not required to submit the Form 3508 or any related documentation with this forgiveness application. However, SBA may request information and documents to review those calculations as part of its loan review and audit processes.

Borrower Responsibilities: The Borrower must comply with all requirements in the Paycheck Protection Program Rules (Sections 7(a)(36), 7(a)(37), and 7A of the Small Business Act, the PPP interim final rules, and SBA guidance issued through the date of this application), and must attest to its compliance on the Loan Forgiveness Application. Those requirements include the following:

- Requested Loan Forgiveness Amount (which may not exceed the principal amount of the PPP loan):
 - o must have been used by the Borrower to pay business costs that are eligible for forgiveness (payroll costs to retain employees, business mortgage interest payments, business rent or lease payments, business utility payments, covered operations expenditures, covered property damage costs, covered supplier costs, or covered worker protection expenditures) during the Covered Period;
 - o must include payroll costs equal to at least 60% of the Requested Loan Forgiveness Amount;
 - o for any owner-employee (with an ownership stake of 5% or more) or self-employed individual/general partner, must not exceed 2.5 months' worth of compensation received during the year used to calculate the PPP loan amount, capped at \$20,833 per individual in total across all businesses; and
 - o for loans of more than \$50,000 and loan of \$50,000 or less to Borrowers that together with their affiliates received First Draw PPP Loans totaling \$2 million or more or Second Draw PPP Loans totaling \$2 million or more, must meet the requirements of either **(A)** or **(B)**: **(A)** is not subject to reductions because the Borrower did not reduce annual salaries or hourly wages of any employee by more than 25 percent during the Covered Period compared to the most recent full quarter before the Covered Period *and* either (1) the Borrower did not reduce the number of employees or the average paid hours of employees between January 1, 2020 and the end of the Covered Period or (2) the Borrower was unable to operate during the Covered Period at the same level of business activity as before February 15, 2020, due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020 (or, for a PPP loan made after December 27, 2020, requirements established or guidance issued between March 1, 2020 and the last day of the Covered Period the last day of the Covered Period) by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19, **or (B)** the Borrower has included any required reductions as described in SBA Form 3508 and its instructions.
- The Borrower must accurately calculate the Requested Loan Forgiveness Amount and verify the payments for the eligible costs included in it.
- If the loan forgiveness application is being submitted for a Second Draw PPP Loan, the borrower must submit or have already submitted all required revenue reduction documentation and have used all First Draw PPP Loan amounts on eligible expenses prior to disbursement of the Second Draw PPP Loan.

If the funds were knowingly used for unauthorized purposes, the federal government may pursue recovery of loan amounts and/or civil or criminal fraud charges.

Documents that Each Borrower Must Maintain but is Not Required to Submit

Payroll: Documentation verifying the eligible cash compensation and non-cash benefit payments from the Covered Period consisting of each of the following:

- a. Bank account statements or third-party payroll service provider reports documenting the amount of cash compensation paid to employees.
- b. Tax forms (or equivalent third-party payroll service provider reports) for the periods that overlap with the Covered Period: i. Payroll tax filings reported, or that will be reported, to the IRS (typically, Form 941); and ii. State quarterly business and individual employee wage reporting and unemployment insurance tax filings reported, or that will be reported, to the relevant state.
- c. Payment receipts, cancelled checks, or account statements documenting the amount of any employer contributions to employee group health, life, disability, vision or dental insurance and retirement plans that the Borrower included in the Requested Loan Forgiveness Amount.

Nonpayroll: For categories a-c, documentation verifying existence of the obligations/services prior to February 15, 2020 and, for all categories, eligible payments from the Covered Period.

- a. Business mortgage interest payments: Copy of lender amortization schedule and receipts or cancelled checks verifying eligible payments from the Covered Period; or lender account statements from February 2020 and the months of the Covered Period through one month after the end of the Covered Period verifying interest amounts and eligible payments.
- b. Business rent or lease payments: Copy of current lease agreement and receipts or cancelled checks verifying eligible payments from the Covered Period; or lessor account statements from February 2020 and from the Covered Period through one month after the end of the Covered Period verifying eligible payments.
- c. Business utility payments: Copy of invoices from February 2020 and those paid during the Covered Period and receipts, cancelled checks, or account statements verifying those eligible payments.
- d. Covered operations expenditures: Copy of invoices, orders, or purchase orders paid during the Covered Period and receipts, cancelled checks, or account statements verifying those eligible payments.

Paycheck Protection Program Loan Forgiveness Application (SBA Form 3508S)

- e. Covered property damage costs: Copy of invoices, orders, or purchase orders paid during the Covered Period and receipts, cancelled checks, or account statements verifying those eligible payments, and documentation that the costs were related to property damage and vandalism or looting due to public disturbances that occurred during 2020 and such costs were not covered by insurance or other compensation.
- f. Covered supplier costs: Copy of contracts, orders, or purchase orders in effect at any time before the Covered Period (except for perishable goods), copy of invoices, orders, or purchase orders paid during the Covered Period and receipts, cancelled checks, or account statements verifying those eligible payments.
- g. Covered worker protection expenditures: Copy of invoices, orders, or purchase orders paid during the Covered Period and receipts, cancelled checks, or account statements verifying those eligible payments, and documentation that the expenditures were used by the Borrower to comply with applicable COVID-19 guidance during the Covered Period.

Other Records: All records relating to the Borrower's PPP loan, including documentation submitted with its PPP loan application, documentation supporting the Borrower's certifications as to its eligibility for a PPP loan (including the Borrower's gross receipt reduction certification for a Second Draw PPP Loan, if applicable), documentation necessary to support the Borrower's loan forgiveness application, and documentation demonstrating the Borrower's material compliance with PPP requirements.

Records Retention Requirement: The Borrower must retain all employment records/payroll documentation in its files for four years and all other documentation for three years after the date the loan forgiveness application is submitted to the lender, and permit authorized representatives of SBA, including representatives of its Office of Inspector General, to access such files upon request. The Borrower must provide documentation independently to a lender to satisfy relevant Federal, State, local or other statutory or regulatory requirements or in connection with an SBA loan review or audit.

SCHEDULE C
(Form 1040 or 1040-SR)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2019
Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

▶ Go to www.irs.gov/ScheduleC for instructions and the latest information.

▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor Nathan J Reis		Social security number (SSN) [REDACTED]
A Principal business or profession, including product or service (see instructions) Consulting	B Enter code from instructions ▶ 5 4 1 6 0 0	
C Business name. If no separate business name, leave blank.	D Employer ID number (EIN)(see instr.)	
E Business address (including suite or room no.) ▶ [REDACTED] City, town or post office, state, and ZIP code Scottsdale, AZ 85251-7667		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶		
G Did you "materially participate" in the operation of this business during 2019? If "No," see instructions for limit on losses		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
H If you started or acquired this business during 2019, check here		<input type="checkbox"/>
I Did you make any payments in 2019 that would require you to file Form(s) 1099? (see instructions)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
J If "Yes," did you or will you file required Forms 1099?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked ▶ <input type="checkbox"/>	1	96,000.
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	96,000.
4 Cost of goods sold (from line 42)	4	
5 Gross profit. Subtract line 4 from line 3	5	96,000.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6 ▶	7	96,000.

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8	18 Office expense (see instructions)	18	
9 Car and truck expenses (see instructions).	9	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10	20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11	a Vehicles, machinery, and equipment	20a	
12 Depletion	12	b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions).	13	21 Repairs and maintenance	21	
14 Employee benefit programs (other than on line 19)	14	22 Supplies (not included in Part III)	22	927.
15 Insurance (other than health)	15	23 Taxes and licenses	23	
16 Interest (see instructions):		24 Travel and meals:		
a Mortgage (paid to banks, etc.)	16a	a Travel	24a	1,483.
b Other	16b	b Deductible meals (see instructions)	24b	
17 Legal and professional services	17	25 Utilities	25	3,548.
28 Total expenses before expenses for business use of home. Add lines 8 through 27a ▶	28	26 Wages (less employment credits)	26	
29 Tentative profit or (loss). Subtract line 28 from line 7	29	27a Other expenses (from line 48)	27a	
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30	27b Reserved for future use	27b	
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040 or 1040-SR), line 3 (or Form 1040-NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31			90,042.
32 If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both Schedule 1 (Form 1040 or 1040-SR), line 3 (or Form 1040-NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3 . • If you checked 32b, you must attach Form 6198 . Your loss may be limited.				
		32a <input type="checkbox"/> All investment is at risk.		
		32b <input type="checkbox"/> Some investment is not at risk.		

For Paperwork Reduction Act Notice, see the separate instructions.

BAA

REV 04/05/20 TTO

Schedule C (Form 1040 or 1040-SR) 2019

FROM:

Nate Reis

[Redacted]
Scottsdale, AZ. 85251
[Redacted]
[Redacted]@gmail.com
[Redacted]

TO

Stephanie Hockridge

Body Politix
[Redacted]
Scottsdale, AZ 85251
[Redacted]@juuice.com

Invoice No: 10147

Invoice Date: Dec 1st, 2019

Due: Dec 31st, 2019

Item	HRS/QTY	Rate	Tax	Subtotal
Monthly Agency Consulting	1	8000		USD 8,000.00

Invoice Summary

Subtotal	USD 8,000.00
Total	USD 8,000.00

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. Body Politix, LLC [REDACTED] Scottsdale, AZ 85251 [REDACTED]		1 Rents	OMB No. 1545-0115	2019 Form 1099-MISC	Miscellaneous Income
		\$ 0.00			
		2 Royalties			
		\$ 0.00			
		3 Other income		4 Federal income tax withheld	Copy B For Recipient
		\$ 0.00		\$ 0.00	
PAYER'S TIN	RECIPIENT'S TIN	5 Fishing boat proceeds		6 Medical and health care payments	
[REDACTED]	[REDACTED]	\$ 0.00		\$ 0.00	
RECIPIENT'S name Nathan Reis Street address (including apt. no.) [REDACTED] City or town, state or province, country, and ZIP or foreign postal code Scottsdale, AZ 85251		7 Nonemployee compensation		8 Substitute payments in lieu of dividends or interest	This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
		\$ 96,000.00		\$ 0.00	
		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>		10 Crop insurance proceeds	
		\$ 0.00			
		11		12	
Account number (see instructions)	FATCA filing requirement <input type="checkbox"/>	13 Excess golden parachute payments		14 Gross proceeds paid to an attorney	
		\$ 0.00		\$ 0.00	
15a Section 409A deferrals	15b Section 409A income	16 State tax withheld		17 State/Payer's state no.	18 State income
\$0.00	\$0.00	\$ 0.00			\$ 0.00
		\$			\$

Form **1099-MISC** (keep for your records) www.irs.gov/Form1099MISC Department of the Treasury - Internal Revenue Service

FROM:

Nathan Reis

[REDACTED]
Scottsdale, AZ 85251

[REDACTED]@gmail.com

TO

Stephanie Hockridge

Body Politix
[REDACTED]
Scottsdale, AZ 85251

[REDACTED]@juuice.com

Invoice No: 10152

Invoice Date: Jan 1st, 2020

Due: Feb 1st, 2020

Item	HRS/QTY	Rate	Tax	Subtotal
Agency Consulting	1	8000		USD 8,000.00

Invoice Summary

Subtotal	USD 8,000.00
Total	USD 8,000.00

Paycheck Protection Program (PPP) Loan Application
(SBA Form 2483 equivalent)

This document reflects information provided by the Borrower in the PPP Loan Application submitted electronically by the Borrower to Bank of America. It does not include all of the instructions and other text the Borrower saw as it completed the online application form.

Application Date / Time	4/17/2020 3:29
Application Reference Number	4106952152
SBA Loan Number (if applicable)	3510607208

Business Name	Business TIN
NATHAN REIS	[REDACTED]

DBA	
Does your business have a Doing Business As (DBA) name different from your legal business name? DBA Name (if applicable):	N

Business Address	Business Phone
[REDACTED] SCOTTSDALE, AZ, 85251, US	[REDACTED]

Country of Legal Formation	Legal Entity
US	SOLE PROPRIETOR

State of Legal Formation	Legal Tax Classification
AZ	

Primary Country of Operation	Business Type
US	

Loan Application Info	
FirstLoan	
Loan Request	\$20,000
SBA Loan Number of 1st draw (if applicable)	
IP Address	24.251.44.114

Additional Business Info	
Date business was established	

Primary Contact & Owners with Greater Than 20% Ownership Stakes

Ownership %

NATHAN J REIS

0

Address: [REDACTED] NATHAN REIS, AZ, 85251, US

Email: [REDACTED]@juuice.com

Citizenship: US

Dual Country Citizenship: N

Country of Residence: US

Date of Birth: [REDACTED]

Social Security Number: [REDACTED]

Questions, Certifications and Authorizations

Responses

Average Monthly Payroll:	8000
Number of employees	1
Purpose of loan: Payroll	Yes
Purpose of loan: Lease / Mortgage interest	Yes
Purpose of loan: Utilities	Yes
Is the Applicant or any owner of the business presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	No
Has the Applicant, an owner of the business, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is currently delinquent or has defaulted in the last 7 years and caused a loss to the government?	No
Is the Applicant or any owner of the business an owner of any other business, or have common management with, any other business? If yes, we will request a listing of such businesses and a description of their relationship.	No
Has the Applicant received an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, we will request details.	No
Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction, or presently incarcerated, or on probation or parole?	No
Within the last 5 years, for any felony, has the Applicant (if an individual) or any owner of the business 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; 4) been placed on pretrial diversion; or 5) been placed on any form of parole or probation (including probation before judgement)?	No
Is the United States the principal place of residence for all employees of the Applicant included in the Applicant's payroll calculation above?	Yes
Is the Applicant a franchise that is listed in the SBA's Franchise Directory?	No
I have read the Statements Required by Law and Executive Order included in this form, and I understand them.	Yes
I will comply whenever applicable, with the civil rights and other limitations in this form.	Yes
All SBA loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rule.	Yes
To the extent feasible, I will purchase only American-made equipment and products.	Yes
The Applicant is not engaged in any activity that is illegal under federal, state or local law.	Yes
I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.	Yes
The Applicant (1) is an independent contractor, eligible self-employed individual, or sole proprietor or (2) employs no more than the greater of 500 or employees or, if applicable, the size standard in number of employees established by the SBA in 13 C.F.R. 121.201 for the Applicant's industry.	Yes
Any loan received by the Applicant under Section 7(b)(2) of the Small Business Act between January 31, 2020 and April 3, 2020 was for a purpose other than paying payroll costs and other allowable uses loans under the Paycheck Protection Program Rule.	Yes
The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act(CARES Act) (the Paycheck Protection Program Rule).	Yes
An authorized individual (officer, member/manager, partner, owner) of a business entity opening an account must certify the name(s) and other requested information provided about all persons and/or entities who are considered "Beneficial Owners", that is, a person or persons who may own or control, or could control, the entity. As required by US Federal Regulations, this information helps law enforcement fight financial crimes. I hereby certify to the best of my knowledge that the information provided is complete and correct.	Yes
The authorized representative of the Applicant must certify in good faith to all of the below by initialing next to each one. By clicking each box below, you are deemed to have applied your initials for purposes of this application. The Applicant was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.	Yes

Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.	Yes
The funds will be used to retain workers and maintain payroll or make mortgage payments, lease payments, and utility payments; as specified under the Paycheck Protection Program Rule; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.	Yes
The Applicant will provide to the Lender documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight- week period following this loan.	Yes
I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities and not more than 25% of the forgiven amount may be for non-payroll costs.	Yes
During the period beginning on February 15, 2020 and ending on December 31, 2020, the Applicant has not and will not receive another loan under this program.	Yes
I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.	Yes
I acknowledge that the lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.	Yes
For faith-based organizations: Please check the box at left if Applicant claims an exemption from all SBA affiliation rules applicable to Paycheck Protection Program loan eligibility because the Applicant has made a reasonable, good faith determination that the Applicant qualifies for a religious exemption under 13 C.F.R. 121.103(b)(10), which says that "[t]he relationship of a faith-based organization to another organization is not considered an affiliation with the other organization . . . if the relationship is based on a religious teaching or belief or otherwise constitutes a part of the exercise of religion."	Yes
I, certify that I am the authorized representative for the Applicant, and that the information provided in the application and the information provided in all supporting documents and forms is true and accurate, and acknowledge that any false statements are punishable under the law. By clicking this box, your electronic signature will be applied to this application and will have the same legal effect as a handwritten signature.	Yes
Are you sure you want to apply your electronic signature to this application? By clicking "Yes", you also certify that the information provided in this application is true and accurate, and acknowledge that any false statements are punishable under the law.	Yes

Authorized Representative

NATHAN J REIS

Date / Time

4/17/20 3:29 AM



Paycheck Protection Program
PPP Loan Forgiveness Application Form 3508S Revised January 19, 2021

A BORROWER MAY USE THIS FORM ONLY IF THE BORROWER RECEIVED A PPP LOAN OF \$150,000 OR LESS

Business Legal Name ("Borrower")		DBA or Tradename, if applicable	
Juuce, INC			
Business Address	NAICS Code	Business TIN (EIN, SSN)	Business Phone
██████████	443142	██████████	██████████
Scottsdale, AZ 85251		Primary Contact	E-mail Address
		Nathan Reis	██████████@juuce.com

First Draw PPP Loan **Second Draw PPP Loan** (check one)

SBA PPP Loan Number: 9174317310 **Lender PPP Loan Number:** 2020050101

PPP Loan Amount: \$69,870 **PPP Loan Disbursement Date:** 5/11/2020

Employees at Time of Loan Application: 3 **Employees at Time of Forgiveness Application:** 3

Covered Period: 5/11/2020 to 9/11/2020

If Borrower (Together with Affiliates, if Applicable) Received First Draw PPP Loans of \$2 Million or More or Second Draw PPP Loans of \$2 Million or More, Check Here:

Amount of Loan Spent on Payroll Costs: \$69,870 **Requested Loan Forgiveness Amount:** \$69,870

By Signing Below, You Make the Following Representations and Certifications on Behalf of the Borrower:

The Authorized Representative of the Borrower certifies to all of the below by **initialing** next to each one.

NR

The Borrower has complied with all requirements in the Paycheck Protection Program Rules (Sections 7(a)(36), (7)(a)(37), and 7A of the Small Business Act, the PPP interim final rules, and guidance issued by SBA through the date of this application), including the rules related to:

- eligible uses of PPP loan proceeds;
- the amount of PPP loan proceeds that must be used for payroll costs;
- the calculation and documentation of the Borrower's revenue reduction (if applicable); and
- the calculation of the Borrower's Requested Loan Forgiveness Amount.

Information regarding these requirements may be found in the Form 3508S Instructions and the Paycheck Protection Program Rules.

NR

The information provided in this application is true and correct in all material respects. I understand that knowingly making a false statement to obtain forgiveness of an SBA-guaranteed loan is punishable under the law, including 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

Following submission of this forgiveness application, the Borrower must retain all records necessary to prove compliance with Paycheck Protection Program Rules for four years for employment records and for three years for all other records. SBA may request additional information for the purposes of evaluating the Borrower's eligibility for the PPP loan and for loan forgiveness, and the Borrower's failure to provide information requested by SBA may result in a determination that the Borrower was ineligible for the PPP loan or in a denial of the Borrower's loan forgiveness application.

The Borrower's eligibility for loan forgiveness will be evaluated in accordance with the Paycheck Protection Program Rules. SBA may direct a lender to disapprove the Borrower's loan forgiveness application if SBA determines that the Borrower was ineligible for the PPP loan.

Signature ██████████ representative of Borrower

01/30/21
Date

Nathan Reis
Print Name

CEO
Title



**Paycheck Protection Program
PPP Loan Forgiveness Application Form 3508S Revised January XX, 2021**

PPP Borrower Demographic Information Form (Optional)

Instructions

1. **Purpose.** Veteran/gender/race/ethnicity data is collected for program reporting purposes only.
2. **Description.** This form requests information about each of the Borrower’s Principals. Add additional sheets if necessary.
3. **Definition of Principal.** The term “Principal” means:
 - For a self-employed individual, independent contractor, or a sole proprietor, the self-employed individual, independent contractor, or sole proprietor.
 - For a partnership, all general partners and all limited partners owning 20% or more of the equity of the Borrower, or any partner that is involved in the management of the Borrower’s business.
 - For a corporation, all owners of 20% or more of the Borrower, and each officer and director.
 - For a limited liability company, all members owning 20% or more of the Borrower, and each officer and director.
 - Any individual hired by the Borrower to manage the day-to-day operations of the Borrower (“key employee”).
 - Any trustor (if the Borrower is owned by a trust).
 - For a nonprofit organization, the officers and directors of the Borrower.
4. **Principal Name.** Insert the full name of the Principal.
5. **Position.** Identify the Principal’s position; for example, self-employed individual; independent contractor; sole proprietor; general partner; owner; officer; director; member; or key employee.

Principal Name		Position
Nathan Reis		CEO
Veteran	1=Non-Veteran; 2=Veteran; 3=Service-Disabled Veteran; 4=Spouse of Veteran; X=Not Disclosed	1
Gender	M=Male; F=Female; X=Not Disclosed	M
Race (more than 1 may be selected)	1=American Indian or Alaska Native; 2=Asian; 3=Black or African-American; 4=Native Hawaiian or Pacific Islander; 5=White; X=Not Disclosed	5
Ethnicity	H=Hispanic or Latino; N=Not Hispanic or Latino; X=Not Disclosed	N

Disclosure is voluntary and will have no bearing on the loan forgiveness decision

Paperwork Reduction Act – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 15 minutes. Comments about this time or the information requested should be sent to Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503. PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.



Paycheck Protection Program
PPP Loan Forgiveness Application Form 3508S Revised January 19, 2021

PPP LOAN FORGIVENESS APPLICATION FORM 3508S INSTRUCTIONS FOR BORROWERS

You (the Borrower) can apply for forgiveness of your First or Second Draw Paycheck Protection Program (PPP) Loan using this SBA Form 3508S only if the loan amount you received from your Lender was \$150,000 or less for an individual First or Second Draw PPP Loan. If you are not eligible to use this form, you must apply for forgiveness of your PPP loan using SBA Form 3508 or 3508EZ (or lender's equivalent form). Each PPP loan must use a separate loan forgiveness application form. You cannot use one form to apply for forgiveness of both a First and Second Draw PPP loan.

SBA Form 3508S requires fewer calculations and less documentation for eligible borrowers. SBA Form 3508S does not require borrowers to show the calculations used to determine their loan forgiveness amount. However, SBA may request information and documents to review those calculations as part of its loan review or audit processes. Complete this SBA Form 3508S in accordance with the instructions below, and **submit it to your Lender** (or the Lender that is servicing your loan). Borrowers may also complete this application electronically through their Lender.

If this application is being submitted for a First Draw PPP Loan approved on or before August 8, 2020 and the Borrower is required to submit an SBA Form 3508D disclosure of a controlling interest, that disclosure must be submitted to the lender not later than 30 days after submission of this loan forgiveness application. See subsection B.16 of SBA's interim final rule posted on January 6, 2021 (86 FR 3692).

If this loan forgiveness application is being submitted for a Second Draw PPP Loan, the Borrower must submit simultaneously to its lender documentation supporting the gross receipts reduction certification on the Borrower's loan application (if the Borrower did not previously submit such documentation to the lender).

Instructions for PPP Loan Forgiveness Application Form 3508S

Business Legal Name ("Borrower")/DBA or Tradename (if applicable)/Business TIN (EIN, SSN): Enter the same information as on your Borrower Application Form (SBA Form 2483, SBA Form 2483-SD, or lender's equivalent).

Business Address/NAICS Code/Business Phone/Primary Contact/E-mail Address: Enter the same information as on your Borrower Application Form, unless there has been a change in address or contact information. If NAICS Code was not on the Borrower Application Form, match the business activity code provided on IRS income tax filings, if applicable.

First Draw PPP Loan or Second Draw PPP Loan: Select the box that describes the PPP loan that this forgiveness application is for. If you only have one PPP loan, select First Draw PPP Loan.

SBA PPP Loan Number: Enter the loan number assigned by SBA at the time of loan approval. Request this number from the Lender if necessary.

Lender PPP Loan Number: Enter the loan number assigned to the PPP loan by the Lender.

PPP Loan Amount: Enter the disbursed principal amount of the PPP loan (the total loan amount you received from the Lender).

PPP Loan Disbursement Date: Enter the date that you received the PPP loan proceeds from the Lender. If loan proceeds were received on more than one date, enter the first date on which you received PPP loan proceeds. If you received an authorized increase on your First Draw PPP Loan after December 27, 2020, you must enter the date on which you received the original disbursement of your PPP loan proceeds.

Employees at Time of Loan Application: Enter the total number of employees at the time of the PPP loan application.

Employees at Time of Forgiveness Application: Enter the total number of employees at the time the Borrower is applying for loan forgiveness.

Covered Period: The Covered Period begins on the date the loan was originally disbursed. It ends on a date selected by the Borrower that is at least 8 weeks following the date of loan disbursement and not more than 24 weeks after the date of loan disbursement. For example, if the Borrower received their PPP loan proceeds on Monday, April 20, 2020, the first day of the Covered Period is Monday, April 20, 2020, and the final day of the Covered Period is any date selected by the Borrower between Sunday, June 14, 2020, and Sunday, October 4, 2020.

If Borrower, Together with its Affiliates, if Applicable, Received First Draw PPP Loans of \$2 Million or More or Second Draw PPP Loans of \$2 Million or More: Check the box if the Borrower, together with its affiliates (to the extent required under subsection D.3. of SBA's interim final rule posted on January 6, 2021 (86 FR 3692) and not waived under 15 U.S.C. 636(a)(36)(D)(iv)), received (a) First Draw PPP Loans with an original principal amount of \$2 million or more (if this is a First Draw PPP loan forgiveness application), or (b) Second Draw PPP Loans with an original principal amount of \$2 million or more (if this is a Second Draw PPP Loan forgiveness application).



Paycheck Protection Program
PPP Loan Forgiveness Application Form 3508S (revised January 19, 2021)

Amount of Loan Spent on Payroll Costs: Borrowers are generally eligible for forgiveness for the payroll costs paid and payroll costs incurred during the Covered Period. To calculate eligible payroll costs incurred or paid during the Covered Period, add Cash Compensation, Employee Benefits, and Owner Compensation, as follows:

Cash Compensation: The sum of gross salary, gross wages, gross tips, gross commissions, paid leave (vacation, family, medical or sick leave, not including leave covered by the Families First Coronavirus Response Act), and allowances for dismissal or separation paid or incurred during the Covered Period. Do not include qualified wages taken into account in determining the Employer Retention Credit. For each individual employee, the total amount of cash compensation eligible for forgiveness may not exceed an annual salary of \$100,000, as prorated for the Covered Period. For example, for an 8-week Covered Period, the maximum is \$15,385; for a 24-week Covered Period, the maximum is \$46,154. You can only include compensation of employees who were employed by the Borrower at any point during the Covered Period and whose principal place of residence is in the United States.

Employee Benefits: The total amount paid by the Borrower for:

1. Employer contributions for employee group health, life, disability, vision, or dental insurance, including employer contributions to a self-insured, employer-sponsored group health plan, but excluding any pre-tax or after-tax contributions by employees. Do not add contributions for these benefits made on behalf of a self-employed individual, general partners, or owner-employees of an S-corporation, because such payments are already included in their compensation.
2. Employer contributions to employee retirement plans, excluding any pre-tax or after-tax contributions by employees. Do not add employer retirement contributions made on behalf of a self-employed individual or general partners, because such payments are already included in their compensation.
3. Employer state and local taxes paid by the Borrower and assessed on employee compensation (e.g., state unemployment insurance tax), excluding any taxes withheld from employee earnings.

Owner Compensation: Any amounts the Borrower paid to owners (owner-employees (with an ownership stake of 5% or more), a self-employed individual, or general partners). For each individual owner in total across all businesses, this amount is capped at (a) \$20,833 (the 2.5-month equivalent of \$100,000 per year), or (b) the 2.5-month equivalent of the individual's applicable compensation in the year that was used to calculate the loan amount (2019 or 2020), whichever is lower.

Payroll costs are considered paid on the day that paychecks are distributed or that the Borrower originates an ACH credit transaction. Payroll costs are considered incurred on the day that the employee's pay is earned. Payroll costs incurred but not paid during the Borrower's last pay period of the Covered Period are eligible for forgiveness if paid on or before the next regular payroll date. Otherwise, payroll costs must be paid during the Covered Period. Count payroll costs that were both paid and incurred only once. Include only payroll costs for employees whose principal place of residence is in the United States. For information on what qualifies as payroll costs, see SBA's interim final rule posted on January 6, 2021 (86 FR 3692).

Requested Loan Forgiveness Amount: Enter the total amount of your PPP loan that is eligible for loan forgiveness. This amount is the "Amount of Loan Spent on Payroll Costs" plus any amount spent on eligible nonpayroll costs (described below) minus any required reductions (described below), up to the principal amount of the PPP loan.

Nonpayroll Costs: Eligible nonpayroll costs consist of:

- a. covered mortgage obligations: payments of mortgage interest (not including any prepayment or payment of principal) on any business mortgage obligation on real or personal property incurred before February 15, 2020 ("business mortgage interest payments");
- b. covered rent obligations: business rent or lease payments pursuant to lease agreements for real or personal property in force before February 15, 2020 ("business rent or lease payments");
- c. covered utility payments: business payments for a service for the distribution of electricity, gas, water, telephone, transportation, or internet access for which service began before February 15, 2020 ("business utility payments");
- d. covered operations expenditures: payments for any business software or cloud computing service that facilitates business operations, product or service delivery, the processing, payment, or tracking of payroll expenses, human resources, sales and billing functions, or accounting of tracking of supplies, inventory, records, and expenses;
- e. covered property damage costs: costs related to property damage and vandalism or looting due to public disturbances that occurred during 2020 that were not covered by insurance or other compensation;
- f. covered supplier costs: expenditures made to a supplier of goods for the supply of goods that are essential to the operations of the Borrower at the time at which the expenditure is made, and made pursuant to a contract, order, or purchase order in effect prior to the beginning of the Covered Period (for perishable goods, the contract, order, or purchase order may have been in effect before or at any time during the Covered Period); and
- g. covered worker protection expenditures: operating or capital expenditures that facilitate the adaptation of the business activities of an entity to comply with the requirements established or guidance issued by the Department of Health and CDC Response00043



Paycheck Protection Program
PPP Loan Forgiveness Application Form 3508S (revised January 19, 2021)

Human Services, the Centers for Disease Control, or the Occupational Safety and Health Administration, or any equivalent requirements established or guidance issued by a State or local government, during the period starting March 1, 2020 and ending on the date on which the national emergency declared by the President with respect to the Coronavirus Disease 2019 (COVID-19) expires related to maintenance standards for sanitation, social distancing, or any other worker or customer safety requirement related to COVID-19, but does not include residential real property or intangible property.

Eligible nonpayroll costs cannot exceed 40% of the total forgiveness amount. An eligible nonpayroll cost must be either paid during the Covered Period or incurred during the Covered Period and paid on or before the next regular billing date, even if the billing date is after the Covered Period. Count nonpayroll costs that were both paid and incurred only once.

FTE and Salary/Wage Reductions: Borrowers that received a PPP loan of more than \$50,000 and Borrowers of \$50,000 or less that together with their affiliates received First Draw PPP Loans totaling \$2 million or more or Second Draw PPP Loans totaling \$2 million or more must adjust their "Requested Loan Forgiveness Amount" due to statutory requirements concerning reductions in either full-time equivalent employees or employee salary and wages. Such a Borrower is not subject to any reductions if the Authorized Representative of the Borrower can attest (1) that the Borrower did not reduce annual salaries or hourly wages of any employee by more than 25 percent during the Covered Period compared to the most recent full quarter before the Covered Period, and (2) that either (a) the Borrower did not reduce the number of employees or the average paid hours of employees between January 1, 2020 and the end of the Covered Period or (b) the Borrower was unable to operate during the Covered Period at the same level of business activity as before February 15, 2020, due to compliance with requirements established or guidance issued between March 1, 2020, and December 31, 2020 (or, for a PPP loan made after December 27, 2020, requirements established or guidance issued between March 1, 2020 and the last day of the Covered Period) by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19. If the Borrower does not satisfy these requirements and is potentially subject to reductions in its Requested Loan Forgiveness Amount, the Borrower must follow SBA Form 3508 and its instructions to calculate its Requested Loan Forgiveness Amount. The Borrower is not required to submit the Form 3508 or any related documentation with this forgiveness application. However, SBA may request information and documents to review those calculations as part of its loan review and audit processes.

Borrower Responsibilities: The Borrower must comply with all requirements in the Paycheck Protection Program Rules (Sections 7(a)(36), 7(a)(37), and 7A of the Small Business Act, the PPP interim final rules, and SBA guidance issued through the date of this application), and must attest to its compliance on the Loan Forgiveness Application. Those requirements include the following:

- Requested Loan Forgiveness Amount (which may not exceed the principal amount of the PPP loan):
 - must have been used by the Borrower to pay business costs that are eligible for forgiveness (payroll costs to retain employees, business mortgage interest payments, business rent or lease payments, business utility payments, covered operations expenditures, covered property damage costs, covered supplier costs, or covered worker protection expenditures) during the Covered Period;
 - must include payroll costs equal to at least 60% of the Requested Loan Forgiveness Amount;
 - for any owner-employee (with an ownership stake of 5% or more) or self-employed individual/general partner, must not exceed 2.5 months' worth of compensation received during the year used to calculate the PPP loan amount, capped at \$20,833 per individual in total across all businesses; and
 - for loans of more than \$50,000 and loan of \$50,000 or less to Borrowers that together with their affiliates received First Draw PPP Loans totaling \$2 million or more or Second Draw PPP Loans totaling \$2 million or more, must meet the requirements of either (A) or (B): (A) is not subject to reductions because the Borrower did not reduce annual salaries or hourly wages of any employee by more than 25 percent during the Covered Period compared to the most recent full quarter before the Covered Period *and* either (1) the Borrower did not reduce the number of employees or the average paid hours of employees between January 1, 2020 and the end of the Covered Period or (2) the Borrower was unable to operate during the Covered Period at the same level of business activity as before February 15, 2020, due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020 (or, for a PPP loan made after December 27, 2020, requirements established or guidance issued between March 1, 2020 and the last day of the Covered Period the last day of the Covered Period) by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19, or (B) the Borrower has included any required reductions as described in SBA Form 3508 and its instructions.
- The Borrower must accurately calculate the Requested Loan Forgiveness Amount and verify the payments for the eligible costs included in it.
- If the loan forgiveness application is being submitted for a Second Draw PPP Loan, the borrower must submit or have already submitted all required revenue reduction documentation and have used all First Draw PPP Loan amounts on eligible expenses prior to disbursement of the Second Draw PPP Loan.

If the funds were knowingly used for unauthorized purposes, the federal government may pursue recovery of loan amounts and/or civil or criminal fraud charges.



Paycheck Protection Program
PPP Loan Forgiveness Application Form 3508S (revised January 19, 2021)

Documents that Each Borrower Must Maintain but is Not Required to Submit

Payroll: Documentation verifying the eligible cash compensation and non-cash benefit payments from the Covered Period consisting of each of the following:

- a. Bank account statements or third-party payroll service provider reports documenting the amount of cash compensation paid to employees.
- b. Tax forms (or equivalent third-party payroll service provider reports) for the periods that overlap with the Covered Period:
 - i. Payroll tax filings reported, or that will be reported, to the IRS (typically, Form 941); and
 - ii. State quarterly business and individual employee wage reporting and unemployment insurance tax filings reported, or that will be reported, to the relevant state.
- c. Payment receipts, cancelled checks, or account statements documenting the amount of any employer contributions to employee group health, life, disability, vision or dental insurance and retirement plans that the Borrower included in the Requested Loan Forgiveness Amount.

Nonpayroll: For categories a-c, documentation verifying existence of the obligations/services prior to February 15, 2020 and, for all categories, eligible payments from the Covered Period.

- a. Business mortgage interest payments: Copy of lender amortization schedule and receipts or cancelled checks verifying eligible payments from the Covered Period; or lender account statements from February 2020 and the months of the Covered Period through one month after the end of the Covered Period verifying interest amounts and eligible payments.
- b. Business rent or lease payments: Copy of current lease agreement and receipts or cancelled checks verifying eligible payments from the Covered Period; or lessor account statements from February 2020 and from the Covered Period through one month after the end of the Covered Period verifying eligible payments.
- c. Business utility payments: Copy of invoices from February 2020 and those paid during the Covered Period and receipts, cancelled checks, or account statements verifying those eligible payments.
- d. Covered operations expenditures: Copy of invoices, orders, or purchase orders paid during the Covered Period and receipts, cancelled checks, or account statements verifying those eligible payments.
- e. Covered property damage costs: Copy of invoices, orders, or purchase orders paid during the Covered Period and receipts, cancelled checks, or account statements verifying those eligible payments, and documentation that the costs were related to property damage and vandalism or looting due to public disturbances that occurred during 2020 and such costs were not covered by insurance or other compensation.
- f. Covered supplier costs: Copy of contracts, orders, or purchase orders in effect at any time before the Covered Period (except for perishable goods), copy of invoices, orders, or purchase orders paid during the Covered Period and receipts, cancelled checks, or account statements verifying those eligible payments.
- g. Covered worker protection expenditures: Copy of invoices, orders, or purchase orders paid during the Covered Period and receipts, cancelled checks, or account statements verifying those eligible payments, and documentation that the expenditures were used by the Borrower to comply with applicable COVID-19 guidance during the Covered Period.

Other Records: All records relating to the Borrower's PPP loan, including documentation submitted with its PPP loan application, documentation supporting the Borrower's certifications as to its eligibility for a PPP loan (including the Borrower's gross receipt reduction certification for a Second Draw PPP Loan, if applicable), documentation necessary to support the Borrower's loan forgiveness application, and documentation demonstrating the Borrower's material compliance with PPP requirements.

Records Retention Requirement: The Borrower must retain all employment records/payroll documentation in its files for four years and all other documentation for three years after the date the loan forgiveness application is submitted to the lender, and permit authorized representatives of SBA, including representatives of its Office of Inspector General, to access such files upon request. The Borrower must provide documentation independently to a lender to satisfy relevant Federal, State, local or other statutory or regulatory requirements or in connection with an SBA loan review or audit.



**Paycheck Protection Program
PPP Loan Forgiveness Application Form 3508EZ**

OMB Control No. 3245-0407
Expiration date: 12/31/2023

Business Legal Name ("Borrower")		DBA or Tradename, if applicable	
Jujuice, Inc.			
Business Address		Business TIN (EIN, SSN)	Business Phone
[REDACTED]		[REDACTED]	[REDACTED]
Scottsdale, AZ 85251-1227		Primary Contact	E-mail Address

SBA PPP Loan Number: 9174317310 **Lender PPP Loan Number:** 2020050101

PPP Loan Amount: \$69,870.00 **PPP Loan Disbursement Date:** 5/11/2020

Employees at Time of Loan Application: 3.00 **Employees at Time of Forgiveness Application:** 3

EIDL Advance Amount: _____ **EIDL Application Number:** _____

Payroll Schedule: The frequency with which payroll is paid to employees is:

- Weekly Biweekly (every other week) Twice a month Monthly Other _____

Covered Period: 5/20/2020 to 10/30/2020

Alternative Payroll Covered Period, if applicable: _____ to _____

If Borrower (together with affiliates, if applicable) received PPP loans in excess of \$2 million, check here:

Forgiveness Amount Calculation:

Payroll and Nonpayroll Costs

Line 1. Payroll Costs: \$70,501.00

Line 2. Business Mortgage Interest Payments: _____

Line 3. Business Rent or Lease Payments: \$8,000.00

Line 4. Business Utility Payments: _____

Potential Forgiveness Amounts

Line 5. Add the amounts on lines 1, 2, 3, and 4: \$78,501.00

Line 6. PPP Loan Amount: \$69,870.00

Line 7. Payroll Cost 60% Requirement (divide Line 1 by 0.60): \$110,835.00

Forgiveness Amount

Line 8. Forgiveness Amount (enter the smallest of Lines 5, 6, and 7): \$69,870.00



**Paycheck Protection Program
PPP Loan Forgiveness Application Form 3508EZ**

By Signing Below, You Make the Following Representations and Certifications on Behalf of the Borrower:

The Authorized Representative of the Borrower certifies to all of the below by **initialing** next to each one.

- NR The dollar amount for which forgiveness is requested:
 - was used to pay costs that are eligible for forgiveness (payroll costs to retain employees; business mortgage interest payments; business rent or lease payments; or business utility payments);
 - includes payroll costs equal to at least 60% of the forgiveness amount;
 - if a 24-week Covered Period applies, does not exceed 2.5 months' worth of 2019 compensation for any owner-employee or self-employed individual/general partner, capped at \$20,833 per individual; and
 - if the Borrower has elected an 8-week Covered Period, does not exceed 8 weeks' worth of 2019 compensation for any owner-employee or self-employed individual/general partner, capped at \$15,385 per individual.

- nr I understand that if the funds were knowingly used for unauthorized purposes, the federal government may pursue recovery of loan amounts and/or civil or criminal fraud charges.

- nr The Borrower did not reduce salaries or hourly wages by more than 25 percent for any employee during the Covered Period or Alternative Payroll Covered Period compared to the period between January 1, 2020 and March 31, 2020. For purposes of this certification, the term "employee" includes only those employees that did not receive, during any single period during 2019, wages or salary at an annualized rate of pay in an amount more than \$100,000.

- nr The Borrower has accurately verified the payments for the eligible payroll and nonpayroll costs for which the Borrower is requesting forgiveness.

- nr I have submitted to the Lender the required documentation verifying payroll costs, the existence of obligations and service (as applicable) prior to February 15, 2020, and eligible business mortgage interest payments, business rent or lease payments, and business utility payments.

- nr The information provided in this application and the information provided in all supporting documents and forms is true and correct in all material respects. I understand that knowingly making a false statement to obtain forgiveness of an SBA-guaranteed loan is punishable under the law, including 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

- nr The tax documents I have submitted to the Lender are consistent with those the Borrower has submitted/will submit to the IRS and/or state tax or workforce agency. I also understand, acknowledge, and agree that the Lender can share the tax information with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of ensuring compliance with PPP requirements and all SBA reviews.

- nr I understand, acknowledge, and agree that SBA may request additional information for the purposes of evaluating the Borrower's eligibility for the PPP loan and for loan forgiveness, and that the Borrower's failure to provide information requested by SBA may result in a determination that the Borrower was ineligible for the PPP loan or a denial of the Borrower's loan forgiveness application.

In addition, the Authorized Representative of the Borrower must certify by **initialing at least ONE** of the following two items:

- nr The Borrower did not reduce the number of employees or the average paid hours of employees between January 1, 2020 and the end of the Covered Period (other than any reductions that arose from an inability to rehire individuals who were employees on February 15, 2020, if the Borrower was unable to hire similarly qualified employees for unfilled positions on or before December 31, 2020, and reductions in an employee's hours that a borrower offered to restore and were refused).

- nr The Borrower was unable to operate between February 15, 2020, and the end of the Covered Period at the same level of business activity as before February 15, 2020 due to compliance with requirements established or guidance issued between March 1, 2020 and December 31, 2020, by the Secretary of Health and Human Services, the Director of the Centers for Disease Control and Prevention, or the Occupational Safety and Health Administration, related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirement related to COVID-19.

The Borrower's eligibility for loan forgiveness will be evaluated in accordance with the PPP regulations and guidance issued by SBA through this application. SBA may direct a lender to disapprove the Borrower's loan forgiveness application if SBA determines the Borrower was ineligible for the PPP loan.

 Signature of Authorized Representative of Borrower

01/26/2020

 Date

Nathan Reis

CEO



**Paycheck Protection Program
PPP Loan Forgiveness Application Form 3508EZ**

PPP Borrower Demographic Information Form (Optional)

Instructions

1. **Purpose.** Veteran/gender/race/ethnicity data is collected for program reporting purposes only.
2. **Description.** This form requests information about each of the Borrower’s Principals. Add additional sheets if necessary.
3. **Definition of Principal.** The term “Principal” means:
 - For a self-employed individual, independent contractor, or a sole proprietor, the self-employed individual, independent contractor, or sole proprietor.
 - For a partnership, all general partners and all limited partners owning 20% or more of the equity of the Borrower, or any partner that is involved in the management of the Borrower’s business.
 - For a corporation, all owners of 20% or more of the Borrower, and each officer and director.
 - For a limited liability company, all members owning 20% or more of the Borrower, and each officer and director.
 - Any individual hired by the Borrower to manage the day-to-day operations of the Borrower (“key employee”).
 - Any trustor (if the Borrower is owned by a trust).
 - For a nonprofit organization, the officers and directors of the Borrower.
4. **Principal Name.** Insert the full name of the Principal.
5. **Position.** Identify the Principal’s position; for example, self-employed individual; independent contractor; sole proprietor; general partner; owner; officer; director; member; or key employee.

Principal Name		Position
Nathan Reis		President/Secretary
Veteran	1=Non-Veteran; 2=Veteran; 3=Service-Disabled Veteran; 4=Spouse of Veteran; X=Not Disclosed	1
Gender	M=Male; F=Female; X=Not Disclosed	M
Race (more than 1 may be selected)	1=American Indian or Alaska Native; 2=Asian; 3=Black or African-American; 4=Native Hawaiian or Pacific Islander; 5=White; X=Not Disclosed	5
Ethnicity	H=Hispanic or Latino; N=Not Hispanic or Latino; X=Not Disclosed	H

Disclosure is voluntary and will have no bearing on the loan forgiveness decision

Paperwork Reduction Act You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 20 minutes. Comments about this time or the information requested should be sent to Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**



U.S. Small Business Administration NOTE

SBA Loan #	9174317310
SBA Loan Name	Juuce, Inc.
Date	May 8, 2020
Loan Amount	\$69,870.00
Interest Rate	1.00000%
Borrower	Juuce, Inc.
Operating Company	Juuce, Inc.
Lender	CDC Small Business Finance

1. PROMISE TO PAY:

In return for the Loan, Borrower promises to pay to the order of Lender the amount of Sixty-Nine Thousand Eight Hundred Seventy Dollars (\$69,870.00) Dollars, interest on the unpaid principal balance, and all other amounts required by this Note.

2. DEFINITIONS:

“Collateral” means any property taken as security for payment of this Note or any guarantee of this Note.

“Guarantor” means each person or entity that signs a guarantee of payment of this Note.

“Loan” means the loan evidenced by this Note.

“Loan Documents” means the documents related to this loan signed by Borrower, any Guarantor, or anyone who pledges collateral.

“SBA” means the Small Business Administration, an Agency of the United States of America.

3. PAYMENT TERMS:

Borrower must make all payments at the place Lender designates. The payment terms for this Note are:

Initial Deferment Period: No payments are due on this loan for 6 months from the date of first disbursement of this loan. Interest will continue to accrue during the deferment period.

Loan Forgiveness: Borrower may apply to Lender for forgiveness of the amount due on this loan in an amount equal to the sum of the following costs incurred by Borrower during the 8-week period beginning on the date of first disbursement of this loan:

- a. Payroll costs
- b. Any payment of interest on a covered mortgage obligation (which shall not include any prepayment of or payment of principal on a covered mortgage obligation)
- c. Any payment on a covered rent obligation
- d. Any covered utility payment

The amount of loan forgiveness shall be calculated (and may be reduced) in accordance with the requirements of the Paycheck Protection Program, including the provisions of Section 1106 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (P.L. 116-136). Not more than 25% of the amount forgiven can be attributable to non-payroll costs.

Maturity: This Note will mature two years from date of first disbursement of this loan.

Repayment Terms: The interest rate on this Note is 1.00% percent per year. The interest rate is fixed and will not be changed during the life of the loan.

Borrower must pay principal and interest payments every month beginning **7 months from the month of initial disbursement**. Interest will accrue during the months of payment deferment. Payments must be made on the first calendar day in the months they are due.

Lender will apply each installment payment first to pay interest accrued to the day Lender received the payment, then to bring principal current, and will apply any remaining balance to reduce principal.

Loan Prepayment: Notwithstanding any provision in this Note to the contrary:

Borrower may prepay this Note at any time without penalty. Borrower may prepay 20 percent or less of the unpaid principal balance at any time without notice. If Borrower prepays more than 20 percent and the Loan has been sold on the secondary market, Borrower must: a. Give Lender written notice; b. Pay all accrued interest; and c. If the prepayment is received less than 21 days from the date Lender received the notice, pay an amount equal to 21 days interest from the date lender received the notice, less any interest accrued during the 21 days and paid under b. of this paragraph. If Borrower does not prepay within 30 days from the date Lender received the notice, Borrower must give Lender a new notice.

Non-Recourse. Lender and SBA shall have no recourse against any individual shareholder, member or partner of Borrower for non-payment of the loan, except to the extent that such shareholder, member or partner uses the loan proceeds for an unauthorized purpose.

4. DEFAULT

Borrower is in default under this Note if Borrower does not make a payment when due under this Note, or if Borrower or Operating Company:

- A. Fails to do anything required by this Note and other Loan Documents;
- B. Defaults on any other loan with Lender;
- C. Does not preserve, or account to Lender's satisfaction for, any of the Collateral or its proceeds;
- D. Does not disclose, or anyone acting on their behalf does not disclose, any material fact to Lender or SBA;
- E. Makes, or anyone acting on their behalf makes, a materially false or misleading representation to Lender or SBA;

- F. Defaults on any loan or agreement with another creditor, if Lender believes the default may materially affect Borrower's ability to pay this Note;
- G. Fails to pay any taxes when due;
- H. Becomes the subject of a proceeding under any bankruptcy or insolvency law;
- I. Has a receiver or liquidator appointed for any part of their business or property;
- J. Makes an assignment for the benefit of creditors;
- K. Has any adverse change in financial condition or business operation that Lender believes may materially affect Borrower's ability to pay this Note;
- L. Reorganizes, merges, consolidates, or otherwise changes ownership or business structure without Lender's prior written consent; or
- M. Becomes the subject of a civil or criminal action that Lender believes may materially affect Borrower's ability to pay this Note.

5. LENDER'S RIGHTS IF THERE IS A DEFAULT

Without notice or demand and without giving up any of its rights, Lender may:

- A. Require immediate payment of all amounts owing under this Note;
- B. Collect all amounts owing from any Borrower or Guarantor;
- C. File suit and obtain judgment;
- D. Take possession of any Collateral; or
- E. Sell, lease, or otherwise dispose of, any Collateral at public or private sale, with or without advertisement.

6. LENDER'S GENERAL POWERS:

Without notice and without Borrower's consent, Lender may:

- A. Bid on or buy the Collateral at its sale or the sale of another lienholder, at any price it chooses;
- B. Incur expenses to collect amounts due under this Note, enforce the terms of this Note or any other Loan Document, and preserve or dispose of the Collateral. Among other things, the expenses may include payments for property taxes, prior liens, insurance, appraisals, environmental remediation costs, and reasonable attorney's fees and costs. If Lender incurs such expenses, it may demand immediate repayment from Borrower or add the expenses to the principal balance;
- C. Release anyone obligated to pay this Note;
- D. Compromise, release, renew, extend or substitute any of the Collateral; and
- E. Take any action necessary to protect the Collateral or collect amounts owing on this Note.

7. WHEN FEDERAL LAW APPLIES:

When SBA is the holder, this Note will be interpreted and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Note, Borrower may not claim or assert against SBA any local or state law to deny any obligation, defeat any claim of SBA, or preempt federal law.

8. SUCCESSORS AND ASSIGNS:

Under this Note, Borrower and Operating Company include the successors of each, and Lender includes its successors and assigns.

9. GENERAL PROVISIONS

- A. All individuals and entities signing this Note are jointly and severally liable.
- B. Borrower waives all suretyship defenses.
- C. Borrower must sign all documents necessary at any time to comply with the Loan Documents and to enable Lender to acquire, perfect, or maintain Lender's liens on Collateral.
- D. Lender may exercise any of its rights separately or together, as many times and in any order it chooses. Lender may delay or forgo enforcing any of its rights without giving up any of them.
- E. Borrower may not use an oral statement of Lender or SBA to contradict or alter the written terms of this Note.
- F. If any part of this Note is unenforceable, all other parts remain in effect.
- G. To the extent allowed by law, Borrower waives all demands and notices in connection with this Note, including presentment, demand, protest, and notice of dishonor. Borrower also waives any defenses based upon any claim that Lender did not obtain any guarantee; did not obtain, perfect, or maintain a lien upon Collateral; impaired Collateral; or did not obtain the fair market value of Collateral at a sale.

10. BORROWER'S NAME(S) AND SIGNATURE(S):

By signing below, each individual or entity becomes obligated under this Note as Borrower.

Juice, Inc

By:



Nathan Reis, President/Secretary

Date:

5/9/2020



**Paycheck Protection Program
Borrower Application Form**

OMB Control No.: 3245-0407
Expiration Date: 09/30/2020

Check One: <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent contractor <input type="checkbox"/> Eligible self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Tribal business (sec. 31(b)(2)(C) of Small Business Act) <input type="checkbox"/> Other	DBA or Tradename if Applicable								
Business Legal Name Juuice, Inc.									
Business Address <div style="background-color: black; width: 100%; height: 15px; margin: 5px 0;"></div> Scottsdale, AZ 85251-1227	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; padding: 2px;">Business TIN (EIN, SSN)</td> <td style="width:50%; padding: 2px;">Business Phone</td> </tr> <tr> <td style="padding: 2px;"><div style="background-color: black; width: 100%; height: 15px;"></div></td> <td style="padding: 2px;"><div style="background-color: black; width: 100%; height: 15px;"></div></td> </tr> <tr> <td style="padding: 2px;">Primary Contact</td> <td style="padding: 2px;">Email Address</td> </tr> <tr> <td style="padding: 2px;">Nathan Reis</td> <td style="padding: 2px;"></td> </tr> </table>	Business TIN (EIN, SSN)	Business Phone	<div style="background-color: black; width: 100%; height: 15px;"></div>	<div style="background-color: black; width: 100%; height: 15px;"></div>	Primary Contact	Email Address	Nathan Reis	
Business TIN (EIN, SSN)	Business Phone								
<div style="background-color: black; width: 100%; height: 15px;"></div>	<div style="background-color: black; width: 100%; height: 15px;"></div>								
Primary Contact	Email Address								
Nathan Reis									

Average Monthly Payroll:	\$ 27948.10	x 2.5 + EIDL, Net of Advance (if Applicable) Equals Loan Request:	\$ 69,870.00	Number of Employees: 3
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Purpose of the loan (select more than one):

Payroll Lease / Mortgage Interest Utilities Other (explain): Interest on debt, EIDL

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address
Nathan Reis	President/Secretary	100	<div style="background-color: black; width: 100%; height: 15px;"></div>	<div style="background-color: black; width: 100%; height: 15px;"></div>

If questions (1) or (2) below are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is currently delinquent or has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management with, any other business? If yes, list all such businesses and describe the relationship on a separate sheet identified as addendum A.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Has the Applicant received an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B.	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If questions (5) or (6) are answered "Yes," the loan will not be approved.

Question	Yes	No
5. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction, or presently incarcerated, or on probation or parole? Initial here to confirm your response to question 5 → <u>NR</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Within the last 5 years, for any felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; 4) been placed on pretrial diversion; or 5) been placed on any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 6 → <u>NR</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7. Is the United States the principal place of residence for all employees of the Applicant included in the Applicant's payroll calculation above?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Is the Applicant a franchise that is listed in the SBA's Franchise Directory?	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Paycheck Protection Program Borrower Application Form

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

CERTIFICATIONS AND AUTHORIZATIONS

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (the Paycheck Protection Program Rule).
- The Applicant (1) is an independent contractor, eligible self-employed individual, or sole proprietor or (2) employs no more than the greater of 500 or employees or, if applicable, the size standard in number of employees established by the SBA in 13 C.F.R. 121.201 for the Applicant's industry.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All SBA loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rule.
- To the extent feasible, I will purchase only American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.
- Any loan received by the Applicant under Section 7(b)(2) of the Small Business Act between January 31, 2020 and April 3, 2020 was for a purpose other than paying payroll costs and other allowable uses loans under the Paycheck Protection Program Rule.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

CERTIFICATIONS

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

^{DS}
NR The Applicant was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.

^{DS}
NR Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.

^{DS}
NR The funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.

^{DS}
NR The Applicant will provide to the Lender documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight-week period following this loan.

^{DS}
NR I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities, and not more than 25% of the forgiven amount may be for non-payroll costs.

^{DS}
NR During the period beginning on February 15, 2020 and ending on December 31, 2020, the Applicant has not and will not receive another loan under the Paycheck Protection Program.

^{DS}
NR I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

^{DS}
NR I acknowledge that the lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan requirements and all SBA reviews.

Signature of Authorized Representative of Applicant
Nathan Reis

Print Name

5/9/2020

Date

CEO

Title



Paycheck Protection Program Borrower Application Form

Purpose of this form:

This form is to be completed by the authorized representative of the Applicant and *submitted to your SBA Participating Lender*. Submission of the requested information is required to make a determination regarding eligibility for financial assistance. Failure to submit the information would affect that determination.

Instructions for completing this form:

With respect to “purpose of the loan,” payroll costs consist of compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums, and retirement; payment of state and local taxes assessed on compensation of employees; and for an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation.

For purposes of calculating “Average Monthly Payroll,” most Applicants will use the average monthly payroll for 2019, excluding costs over \$100,000 on an annualized basis for each employee. For seasonal businesses, the Applicant may elect to instead use average monthly payroll for the time period between February 15, 2019 and June 30, 2019, excluding costs over \$100,000 on an annualized basis for each employee. For new businesses, average monthly payroll may be calculated using the time period from January 1, 2020 to February 29, 2020, excluding costs over \$100,000 on an annualized basis for each employee.

If Applicant is refinancing an Economic Injury Disaster Loan (EIDL): Add the outstanding amount of an EIDL made between January 31, 2020 and April 3, 2020, less the amount of any “advance” under an EIDL COVID-19 loan, to Loan Request as indicated on the form.

All parties listed below are considered owners of the Applicant as defined in 13 CFR § 120.10, as well as “principals”:

- For a sole proprietorship, the sole proprietor;
- For a partnership, all general partners, and all limited partners owning 20% or more of the equity of the firm;
- For a corporation, all owners of 20% or more of the corporation;
- For limited liability companies, all members owning 20% or more of the company; and
- Any Trustor (if the Applicant is owned by a trust).

Paperwork Reduction Act – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 8 minutes. Comments about this time or the information requested should be sent to : Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416., and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503.

Privacy Act (5 U.S.C. 552a) Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. (But see Debt Collection Notice regarding taxpayer identification number below.) Disclosures of name and other personal identifiers are required to provide SBA with sufficient information to make a character determination. When evaluating character, SBA considers the person’s integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 USC Section 636(a)(1)(B) of the Small Business Act (the Act).

Disclosure of Information – Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act. The Privacy Act authorizes SBA to make certain “routine uses” of information protected by that Act. One such routine use is the disclosure of information maintained in SBA’s system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies’ function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses. In addition, the CARES Act, requires SBA to register every loan made under the Paycheck Protection Act using the Taxpayer Identification Number (TIN) assigned to the borrower.

Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles) – SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice, or (6) foreclose on collateral or take other action permitted in the loan instruments.

Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) The Right to Financial Privacy Act of 1978, grants SBA access rights to financial records held by financial institutions that are or have been doing business with you or your business including any financial



Paycheck Protection Program Borrower Application Form

institutions participating in a loan or loan guaranty. SBA is only required provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records. SBA's access rights continue for the term of any approved loan guaranty agreement. SBA is also authorized to transfer to another Government authority any financial records concerning an approved loan or loan guaranty, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.

Freedom of Information Act (5 U.S.C. 552) Subject to certain exceptions, SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that will be automatically released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers (and their officers, directors, stockholders or partners), the collateral pledged to secure the loan, the amount of the loan, its purpose in general terms and the maturity. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

Occupational Safety and Health Act (15 U.S.C. 651 et seq.) The Occupational Safety and Health Administration (OSHA) can require businesses to modify facilities and procedures to protect employees. Businesses that do not comply may be fined, forced to cease operations, or prevented from starting operations. Signing this form is certification that the applicant, to the best of its knowledge, is in compliance with the applicable OSHA requirements, and will remain in compliance during the life of the loan.

Civil Rights (13 C.F.R. 112, 113, 117) – All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. All borrowers must display the "Equal Employment Opportunity Poster" prescribed by SBA.

Equal Credit Opportunity Act (15 U.S.C. 1691) – Creditors are prohibited from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

Debarment and Suspension Executive Order 12549; (2 CFR Part 180 and Part 2700) By submitting this loan application, you certify that neither the Applicant or any owner of the Applicant have within the past three years been: (a) debarred, suspended, declared ineligible or voluntarily excluded from participation in a transaction by any Federal Agency; (b) formally proposed for debarment, with a final determination still pending; (c) indicted, convicted, or had a civil judgment rendered against you for any of the offenses listed in the regulations or (d) delinquent on any amounts owed to the U.S. Government or its instrumentalities as of the date of execution of this certification.

From: Adam Spencer [REDACTED]@blueacorn.co>
Sent: Monday, April 5, 2021 12:41 PM
To: Adam Spencer [REDACTED]@elev8withus.com>
Subject: Fwd: Fwd: Welcome!! And lots of good info!

----- Forwarded message -----

From: Kristen Spencer [REDACTED]@elev8withus.com>
Date: Mon, Apr 5, 2021 at 5:35 AM
Subject: Welcome!! And lots of good info!
To: [REDACTED] Adam Spencer

[REDACTED]@blueacorn.co>, [REDACTED]

[REDACTED]

Owensby <[REDACTED]@blueacorn.co>, [REDACTED]

[REDACTED]

[REDACTED] owensby@blueacorn.co

[REDACTED]

[REDACTED] owensby@blueacorn.co [REDACTED]

[REDACTED] spencer@blueacorn.co

[REDACTED]

[REDACTED] Spencer <[REDACTED]@blueacorn.co>, [REDACTED]

[REDACTED]

[REDACTED] Kristen.Spencer2@blueacornppp.com [REDACTED]

[REDACTED]

Rhett.Doolittle@

Hello! Welcome to our newest team members. We will be hosting a multitude of training classes as well as some open zoom lines for questions and support. beginning today at 9:30 am PST You will also have to opportunity to attend one of our standing training classes every morning at 8:30am PST with [REDACTED]. You should have received links in your welcome email for our most utilized tools and important information. You will Need to access it with your blueacorn profile. Your personal email will not be able to open it. I will include links here again. You will be given a wealth of information. Again, welcome! We look forward to working with you!

Here are some good videos to get started with while you wait for training.

<https://drive.google.com/file/d/17bQpEyRbEGwIEw8QAgFdJ25q0yfeqyF4/view?usp=sharing>

<https://drive.google.com/file/d/1HxmtboNl2mlzvGFqIFaWaLvRiRW5Tqu6/view?usp=sharing>
<https://drive.google.com/file/d/1HxmtboNl2mlzvGFqIFaWaLvRiRW5Tqu6/view?usp=sharing>
<https://drive.google.com/file/d/1HxmtboNl2mlzvGFqIFaWaLvRiRW5Tqu6/view?usp=sharing>
<https://drive.google.com/file/d/1HxmtboNl2mlzvGFqIFaWaLvRiRW5Tqu6/view?usp=sharing>

Here is the link to our rolling schedule (It won't change much unless you request.) Our schedules are based on time and number of files. So you will be assigned a certain number of files each day and we don't care when you get them done- as long as it is before midnight... If you haven't given us your availability please do so on the schedule request page. I just need to know what days you are available and for how many hours. We prefer 4-8 hour blocks, but can be flexible. We have a HUGE need for weekend warriors!!! We are way short as of now... and our goal is ramping up to 25-30K PER DAY by the end of this week. So I am requesting that anyone available on the weekeds , even if it is just a couple of hours at a time, please sign up!!!

<https://docs.google.com/spreadsheets/d/1185pGfmbz37vAVcCmraTJK0kgd1FQojx-NO2aLyFDgo/edit?usp=sharing>

--
Adam Spencer
Strategic Partner
e: ████████@blueacorn.co

From: Noah Spirakus <[REDACTED]@blueacorn.co>
Sent: Saturday, March 20, 2021 3:43 PM
To: Matt Yahes <[REDACTED]@blueacorn.co>
Cc: [REDACTED]@businesswarrior.com>; [REDACTED]
[REDACTED]@businesswarrior.com>; Adam Spencer <[REDACTED]@elev8withus.com>; Kristen
Spencer <[REDACTED]@elev8withus.com>; [REDACTED]@gampayments.com>;
[REDACTED]@blueacorn.co>
Subject: Re: Re: elev8 and Business Warrior staffing

[REDACTED], and all,

We are good to go with the above agreement with the understanding of the additional work in outreach to customers on some phoenix deals.

Happy to have this moving!!

re: Payment, I'm working with finance people to get you a specific plan, prioritizing the outstanding payments. Our goal would be to pay as quickly as possible.

I'll be back on this thread in a few more hours after talking to them on a timeline for covering all payments and ensuring the size of what we can pay first thing monday.

Lets do this!

Noah S

On Sat, Mar 20, 2021 at 12:28 PM Matt Yahes <[REDACTED]@blueacorn.co> wrote:

[REDACTED]

Noah requested a quick call to confirm a few things with me. I was offline for the past few hrs and will sync up shortly.

On Sat, Mar 20, 2021 at 8:10 AM Noah Spirakus <[REDACTED]@blueacorn.co> wrote:

[REDACTED] you are too of my list, finishing getting up to speed as we speak.

Will have an answer on the next 2 hours to confirm.

On Sat, Mar 20, 2021, 5:30 AM [REDACTED]@businesswarrior.com> wrote:

Morning Noah,

Will you please share an update? We are looking for a formal approval so we can start our people training today.

Thanks!

[REDACTED]

On Mar 19, 2021, at 9:18 PM, Noah Spirakus <[REDACTED]@blueacorn.co> wrote:

Yep, confirming with the team this evening and will reply.

Excited to see this additional volume.

On Fri, Mar 19, 2021 at 9:15 PM [REDACTED]@businesswarrior.com> wrote:
Thanks Matt!

Noah - we are excited to hit the volume button on new loans! Will you please confirm the below plan aligns with your needs as we plan to have a training class as soon as tomorrow.

Thanks,
[REDACTED]

On Mar 19, 2021, at 5:29 PM, Matt Yahes [REDACTED]@blueacorn.co>
wrote:

Noah,

Adam is having email issues and asked that you confirm. Please confirm that we will take option 2 of the invoice (50%) and pay it when the SBA wire comes in on Monday. Thanks.

On Fri, Mar 19, 2021 at 9:38 AM [REDACTED]@businesswarrior.com>
wrote:

Matt,

Thanks again for the phone calls in the last 24 hours. Please find the proposed staffing plan and invoice options attached.

With elev8 already nailing down the process for the apps + existing management Business Warrior is partnering with them on the staffing up plan.

Go Forward Plan: effective 03.19.21

- The number of new loans to add to the existing infrastructure should get us to 30,000 loans/day
 - 15,000 from Business Warrior
 - 15,000 from Paynerds
- Hire a total of 60 additional people to do Loan Verification at \$3.00/app. This invoice is to add to the existing team, it is additional to the current elev8 payroll needed.
- Estimating 40 apps/hour per rep
- We have a performance bonus for the new team in the proposed plan

Payment:

We have 2 options available.

1. Pay the project invoice in full
2. Pay 50% of the project invoice today, 3/19/21 and 50% on 3/26/2021

Legal:

Once we get agreement from Blueacorn on this plan and the payment, Adam will provide an addendum to his MSA.

--
[REDACTED]

President | Business Warrior

businesswarrior.com



Publicly Traded: BZWR

From: Kristen Spencer [REDACTED]@blueacorn.co>
Sent: Wednesday, March 17, 2021 11:56 PM
To: Adam Spencer [REDACTED]@elev8withus.com>
Subject: Ba partner payout
Attach: BA partner payout.xlsx

Kristen Spencer
Dir. of Operations
e: [REDACTED]@blueacorn.co
w. www.blueacorn.co

Document Produced in Native Format

VIPPP Partner Office

Partner Code: vippp

[\(Probably create a "bapartners.com" email or something to show separation from Blueacorn](#)

Name	Email	Blueacorn Co Assistant Pro Per Deal Commission
Partner - Primary	Stephanie Reiss @blueacorn.co	20%
Assistant 1	@blueacorn.co	\$75 per funded loan** (amount paid per loan is tiered based on total number of funded loans, starting at \$75 up to 500 funded loans)
Assistant 2	@blueacorn.co	\$75 per funded loan** (amount paid per loan is tiered based on total number of funded loans, starting at \$75 up to 300 funded loans)

- *** The VIPPP Partner Office has Agents & Affiliates
- 1 **Agents** - Originate & Structure deals. They pay my office a fee to process the applications they originate.
- 2 **Affiliates** - Give us referrals (names and phone numbers). For every referral that gets funded, I pay affiliates a flat referral fee.

1 Agents

Own the records they originate into the Blueacorn System.

Agent Code	Partner Code	Agent Name	Agent Email	Agreements	Notes	Blueacorn Co Commission	Paid to Agent on Fees Collected directly from Business
Default owner	vippp	Stephanie Reiss	Hoc vippp@blueacorn.co	Partner/Agent	if no agent code	0%	0%
	vippp		@ Agent			0%	0%
	vippp		@accredit Agent			0%	0%
	vippp		@accr Agent			0%	0%
	vippp	Nate Reiss	mail. Agent			0%	0%
	vippp		@blue Affili ate			0%	
	vippp		@ Agent			0%	20%
	vippp		@blueacorn Agent			0%	80%
	vippp		r20 Affili ate				
	vippp		@stray Affili ate				
	vippp		@r20 Affili ate				
	vippp		@ Affili ate				
	vippp		@ Affili ate				
	vippp		@ Affili ate				
	vippp		@mitchel Affili ate				
	ev8	Michael Cota	@qua Affili ate		Cota will no longer be a sales office, but an agent who can sell and originate deals under Elev8 so there's processing support & a funnel of trust in the deals		
	ev8		@busin Affili ate				
	ev8		@how Affili ate				
	ev8	Adam Spence	@lev8 Partner/Agent		first agent code issued for bw/lev8		
	ev8				Michael (Adam elev8)		
	ev8		@busin Affili ate		first agent code issued for bw/lev8		
	ZEN		@blueacorn.co		Jack		
	ZEN		@blueacorn.co		Jack		
	ev8		M chael		Michael (Adam elev8)		
	ev8	Adam Spence	ev8 Partner/Agent		Adam (elev8)		

2 Affiliates

The discussion is around the Affiliate being related to an Agent and/or an Affiliate logging in to see their referred deals (Don't want to over complicate this with the relationships)

Affiliates are always attached to an agent. They should never own a record. (The related agent own the record of these deals)

** NOTE: Currently, my affiliates have agent codes, not a filiate codes. Oops! So sorry! Here's how to change this:

Current Agent Code	Reassign Agent Code	Reassign Affiliate Code to:	Affiliate Name	Affiliate Email	Referral Fee Per	Referral Fee % (of total revenue)
ac-kwvw	vippp	ac-kwvw			200/funded loan	
surjen	vippp	surjen		@stray Affili ate	\$100/funded loan	
jsax	vippp	jsax		@r20 Affili ate	\$100/funded loan	
te12	vippp	te12		@ Affili ate	\$100/funded loan	
hr3	vippp	hr3		@ Affili ate	\$100/funded loan	
ac-tp2nd	vippp	ac-tp2nd		@ge Affili ate	\$100/funded loan	
ac-jmg	vippp	ac-jmg		@mitchel	\$0	

Common Scenario:

Nate gets a referral, I have a code assigned to my contact/partner user of fastlane. (partnerCode=VIPPP&agentCode=fastlane)

When I don't want the deals to be owned by me but I still want to be compensated for referrals I append the URL to say the following partnerCode=VIPPP&agentCode=atran&affiliateCode=fastlane

Suggested discussion/Solution: A user probably just should have a code and that code could be used for either owner assignment (agentCode) or affiliate user field populat on (affiliateCode) (both being the same partner user account)

User Control / Data Validation:

An underwriter user & owner of the record can never be the same (audit trail)

An agent and affiliate can be the same, they're just used for tracking compensation

Both Agents and Affiliates will get logins to track their progress and see their commissions

Discussion for future:

Where I think the conversation goes into the BACKLOG - Affiliate Codes & Affiliate links are something someone might want many of (campaign management). The way we have it today is fine for a 1 to 1 referral that is related to an agent (Steph's affiliates are related to her VIPPP partnerCode & VIPPP agentCode, but for the long term, I'd want -5 affiliate links based on the medium I'm using.

From: Stephanie Hockridge <[REDACTED]@blueacorn.co>
Sent: Wednesday, March 24, 2021 12:22 PM
To: [REDACTED]@gmail.com>; Noah Spirakus [REDACTED]@blueacorn.co>; Adam Spencer [REDACTED]@elev8withus.com>
Subject: Fwd: Fwd: [REDACTED] FRAUD

Stephanie Hockridge Reis
Co-Founder of Blueacorn
Scottsdale, AZ 85251
blueacorn.co

----- Forwarded message -----

From: Farzana Giga [REDACTED]@capitalplusfin.com>
Date: Wed, Mar 24, 2021 at 6:36 AM
Subject: Fwd: [REDACTED]
To: Stephanie Hockridge [REDACTED]@blueacorn.co>, [REDACTED]@capitalplusfin.com>

Farzana Giga
Capital Plus Financial
Chief Financial Officer
[REDACTED]

Begin forwarded message:

From: [REDACTED]@gmail.com>
Date: March 24, 2021 at 08:32:19 CDT
To: Farzana Giga [REDACTED]@capitalplusfin.com>
Subject: Re: [REDACTED] FRAUD

<https://www.nba.com/hawks/staff-directory>

this is his real job , he is a liar

he is listed under finance dept

On Wed, Mar 24, 2021 at 9:25 AM [REDACTED]@gmail.com> wrote:
Good Morning,

I have submitted a fraud alert in regards to [REDACTED], I submitted a complaint to SBA and have notified you all. [REDACTED] is a scammer; he does not have a legitimate business. He is going to use money on trips and clothing.

From: Barry Calhoun [REDACTED]@bayardbusinesscapital.com>
Sent: Monday, March 29, 2021 9:45 AM
To: [REDACTED]@blueacorn.co>; Adam Spencer [REDACTED]@elev8withus.com>
Subject: Fwd: Fwd: PPP - RE: Suspicious Capital Plus SBA Loan - [REDACTED]
Attach: image001.jpg

Sent from my iPhone

Begin forwarded message:

From: Farzana Giga [REDACTED]@capitalplusfin.com>
Date: March 29, 2021 at 8:42:08 AM MST
To: [REDACTED]@blueacorn.co>, Barry Calhoun [REDACTED]@bayardbusinesscapital.com>, Noah Spirakus [REDACTED]@blueacorn.co>
Cc: Stephanie Hockridge [REDACTED]@blueacorn.co>, Adam Spencer [REDACTED]@blueacorn.co>, [REDACTED]@capitalplusfin.com>
Subject: Re: FW: PPP - RE: Suspicious Capital Plus SBA Loan - [REDACTED]

Adding Barry and Noah to the thread.

Farzana

On Mon, Mar 29, 2021 at 8:53 AM Farzana Giga [REDACTED]@capitalplusfin.com> wrote:

Any support for his earnings outside of Tax return? He only gave us cover page for statement so can't see deposits.

On Mon, Mar 29, 2021 at 8:12 AM [REDACTED]@blueacorn.co> wrote:

Okay, I have no support records on this one either. No requests to change account information or email address anything like that.

- [REDACTED]

Customer Support

How are we doing? Let us know.

blueacorn.co

The simplest way to apply for PPP funding.

On Mon, Mar 29, 2021 9:06 AM, [REDACTED]@blueacorn.co wrote:

Checking now. I don't see any flags in Salesforce, but I'm going to go through support records to see if anything comes up.

- [REDACTED]

Customer Support

How are we doing? Let us know.

blueacorn.co

The simplest way to apply for PPP funding.

On Mon, Mar 29, 2021 9:03 AM, Farzana Giga [REDACTED]@capitalplusfin.com wrote:

Good Morning - I received this email from the SBA from a borrower bank..I pulled the tax return and bank statement from SF. However before I respond to the SBA/Borrower bank, I thought I would ask if we have anything else on this borrower.

Farzana

----- Forwarded message -----

From: [REDACTED]@sba.gov>

Date: Mon, Mar 29, 2021 at 7:45 AM

Subject: FW: PPP - RE: Suspicious Capital Plus SBA Loan - [REDACTED]

To: [REDACTED]@easternbank.com [REDACTED]@easternbank.com [REDACTED]@capitalplusfin.com [REDACTED]@capitalplusfin.com>

[REDACTED]@sba.gov) has sent you a protected message.



Read the message

Learn about messages protected by Office 365 Message Encryption.

[Privacy Statement](#)

Email encryption powered by Office 365. [Learn More](#)
Microsoft Corporation, One Microsoft Way, Redmond, WA 98052

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Farzana Giga
Chief Financial Officer
Capital Plus Financial, LLC
Crossroads Systems, Inc.

[REDACTED]
(a) 2247 Central Dr. Bedford, TX 76021
[REDACTED]@capitalplusfin.com



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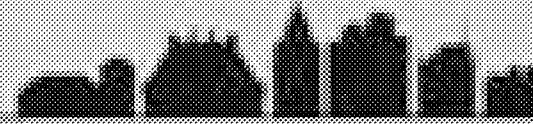
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U.S. DEPARTMENT OF THE TREASURY

CERTIFIED CDFI

CDFI FUND

Financial Institutions Fostering Community Growth

From: [REDACTED]@businesswarrior.com>
Sent: Saturday, March 20, 2021 4:56 PM
To: Noah Spirakus <[REDACTED]@blueacorn.co>
Cc: Matt Yahes [REDACTED]@blueacorn.co>; Rhett Doolittle [REDACTED]@businesswarrior.com>; Adam Spencer [REDACTED]@elev8withus.com>; Kristen Spencer [REDACTED]@elev8withus.com>; Matt Mandell [REDACTED]@gampayments.com>; [REDACTED]@blueacorn.co>
Subject: Re: Re: elev8 and Business Warrior staffing

Sounds great! We will have our team ready by Monday and actively training today.

Thanks
[REDACTED]

On Mar 20, 2021, at 2:42 PM, Noah Spirakus [REDACTED]@blueacorn.co> wrote:

[REDACTED] and all,

We are good to go with the above agreement with the understanding of the additional work in outreach to customers on some phoenix deals.
Happy to have this moving!!

re: Payment, I'm working with finance people to get you a specific plan, prioritizing the outstanding payments. Our goal would be to pay as quickly as possible.
I'll be back on this thread in a few more hours after talking to them on a timeline for covering all payments and ensuring the size of what we can pay first thing monday.

Lets do this!

Noah S

On Sat, Mar 20, 2021 at 12:28 PM Matt Yahes [REDACTED]@blueacorn.co> wrote:

[REDACTED]
Noah requested a quick call to confirm a few things with me. I was offline for the past few hrs and will sync up shortly.

On Sat, Mar 20, 2021 at 8:10 AM Noah Spirakus [REDACTED]@blueacorn.co> wrote:
[REDACTED] you are too of my list, finishing getting up to speed as we speak.

Will have an answer on the next 2 hours to confirm.

On Sat, Mar 20, 2021, 5:30 AM [REDACTED]@businesswarrior.com> wrote:
Morning Noah,

Will you please share an update? We are looking for a formal approval so we can start our people training today.

Thanks!
[REDACTED]

On Mar 19, 2021, at 9:18 PM, Noah Spirakus [REDACTED]@blueacorn.co> wrote:

Yep, confirming with the team this evening and will reply.

Excited to see this additional volume.

On Fri, Mar 19, 2021 at 9:15 PM [REDACTED]
[REDACTED]@businesswarrior.com> wrote:

Thanks Matt!

Noah - we are excited to hit the volume button on new loans! Will you please confirm the below plan aligns with your needs as we plan to have a training class as soon as tomorrow.

Thanks.
[REDACTED]

On Mar 19, 2021, at 5:29 PM, Matt Yahes
[REDACTED]@blueacorn.co> wrote:

Noah,

Adam is having email issues and asked that you confirm. Please confirm that we will take option 2 of the invoice (50%) and pay it when the SBA wire comes in on Monday. Thanks.

On Fri, Mar 19, 2021 at 9:38 AM J Brooks
[REDACTED]@businesswarrior.com> wrote:

Matt,

Thanks again for the phone calls in the last 24 hours. Please find the proposed staffing plan and invoice options attached.

With elev8 already nailing down the process for the apps + existing management Business Warrior is partnering with them on the staffing up plan.

Go Forward Plan: effective 03.19.21

- The number of new loans to add to the existing infrastructure should get us to 30,000 loans/day
 - 15,000 from Business Warrior
 - 15,000 from Paynerds
- Hire a total of 60 additional people to do Loan Verification at \$3.00/app. This invoice is to add to the existing team, it is additional to the current elev8 payroll needed.
- Estimating 40 apps/hour per rep
- We have a performance bonus for the new team in the proposed plan

Payment:

We have 2 options available.

1. Pay the project invoice in full
2. Pay 50% of the project invoice today, 3/19/21 and 50% on 3/26/2021

Legal:

Once we get agreement from Blueacorn on this plan and the payment, Adam will provide an addendum to his MSA.

--


President | Business Warrior
businesswarrior.com



Publicly Traded: BZWR

From: Adam Spencer [REDACTED]@elev8withus.com>
Sent: Thursday, April 15, 2021 12:42 AM
To: Barry Calhoun [REDACTED]@blueacorn.co>; Matt Yahes [REDACTED]@blueacorn.co>; Noah Spirakus [REDACTED]@blueacorn.co>
Subject: elev8 ACH Opportunity Memo
Attach: ACH Funding Opportunity Memo.pdf

Ok gents,

Off into the ether – The CEO, CFO, or COO of 65 banks with at less than \$10B in my personal network will wake up to the opportunity to hang their balls and learn if they want to Be Someone or not.

Adam Spencer

Managing Partner

elev8 Advisors Group

[REDACTED]
[REDACTED]@elev8withus.com





April 13, 2021

ACH Funding Opportunity Memo

Executive Summary:

elev8 Advisors Group is seeking financial institutions, in the asset class of \$1-9B of Tier 1 capital, to disburse funds on behalf of CDFI's and small Community banks that have partnered with software companies to allow them access to act as a lender in the PPP Program but do not have the technological infrastructure or connectivity to process loan disbursement payments en-masse volume(s). Volume and success have each dramatically outpaced expectation. As a result, elev8's client is seeing massive service disruptions in the market. Many of these service disruptions are creating policy violations due to the lack of adhering to the SBA 10-day funding window from time of loan signing(s).

Key metrics:

Daily ACH Volume: **\$38,516,003.00**

Daily ACH Trnx: **8,051**

ACH Reject Volume: **.00082%**

Return Volume: **\$126,832.00**

Return %: **.0000047%**

Hold Days for Funds: **1.5**

Why the Bank is needed:

elev8 currently needs to add FI partners to allocate more of the disbursement of funds due to Capital and balance sheet requirements/restrictions of its financial partners. Additionally, elev8 is seeking redundancy and having multiple vendors ensures fail safes so it can pay its downline distribution partners in an effective manner.

Potential Risk to the Bank:



 www.elev8withus.com

4742 N. 24th St. #300 Phoenix, AZ 85016



The bank will not be given access to the entire amount of volume going forward but will be a part of at least 2-3 other large correspondents participating through the opportunity as the Cleveland FED wants to diversify the volume and allow for far less risk of the bottlenecks that have occurred. Every loan in theory is subsidized by the SBA and potentially will be given forgiveness. However, the lower tranche of the PPP Loan program does provide the largest opportunity for fraud, and possible non-forgiveness due to stated income, and the non-registered entity guidelines enacted for this round. The other risk is the possibility of the bank not properly forecasting and understating the income opportunities and the deposit inflow and if the proper controls are not in place could easily bump into Durbin regulations.

Financial Opportunity/Upside to the Bank:

Immediate one-time fee income buckets, and also the immediate influx of potential customer growth to cross-sell other bank products with no Cost of Acquisition. Data will be rich as the CIF Files for the client will come with all loan clients passing through Plaid, GI Act, OdeFI, IDology, etc. Opportunity in the immediate forefront is also a chance to become a funding bank partner with the CDFI participating institutions also creating another new profit center and low to no risk fee generator that can be negotiated favorably if technology to push high ACH volume is readily available.



From: Adam Spencer [REDACTED]@elev8withus.com>
Sent: Thursday, April 15, 2021 3:28 PM
To: [REDACTED]@blueacorn.co; [REDACTED]@blueacorn.co>
Cc: Barry Calhoun [REDACTED]@blueacorn.co>
Subject: FW: FW: ACH User Guide - SFTP Site - Account Docs
Attach: ACH Origination Guide_EV.1.0.10.19F2.pdf; Evolve Primary Banking Application_EV.1.0.6.20F.pdf; Paygears Merchant Agreement_PG.4.0.10.20F (1).pdf; Paygears Terms and Conditions (002) (002).pdf; ACH Program Design_EV.1.0.9.20F[1].pdf; ACH File Processing Schedule 2021_EV.3.0.12.20F[1].pdf; ACH Fact Sheet_EV.2.0.7.20F[1].pdf; blueacorn tech_Primary Banking Fee Schedule.pdf

Team,

Please see the attached Evolve Primary Banking Application, along with the Paygears (Evolve's Payment & Treasury Services Group) and their ACH User Guides and Program Guidelines and Fact Sheets. Please fill out in the appropriate boxes for yourself, and also make sure that you send the copies of ID's and Secondary Signer Information as well with the return applications. Once sent over to me, I will begin the process of getting this over to Evolve and to the Fed and work them both in parallel tracks.

P.S. Reminder, Please see the Fee Schedule from us to compare it to yours, mark it up and send over, I will get the pricing you need. You will need to send that back afterwards signed as well to get you up and running.

Best,

Adam

Adam Spencer
Managing Partner
elev8 Advisors Group
[REDACTED]
[REDACTED]@elev8withus.com



From: Adam Spencer [REDACTED]@elev8withus.com>
Date: Thursday, April 8, 2021 at 9:24 AM
To: [REDACTED]@capitalplusfin.com>; [REDACTED]@capitalplusfin.com"; [REDACTED]@capitalplusfin.com>
Cc: Noah Spirakus [REDACTED]@blueacorn.co>
Subject: Fwd: ACH User Guide - SFTP Site - Account Docs

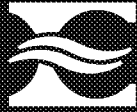
Eric / Farzana

Please see the Evolve / PayGears application and documentation needed to get set up. I'll send over a Fee Sheet shortly. Also please review the setup for the SFTP file for the ACH. But I'm copying Noah on this as well for him to help coordinate that on the BA side with /for you Farzana.

Adam Spencer

Managing Partner
elev8 Advisors Group
M: [REDACTED]





EVOLVE
bank & trust



ACH Origination Guide

Updated October 2019



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Introduction

The ACH Network is the electronic funds-transfer system that provides clearing of electronic payments in the United States. It is governed by the National Automated Clearing House Association ("NACHA") and their book of Operating Rules ("Rules"). As an ACH Originator, you must comply to all Rules and changes to the Rules.

The Evolve Payment Processing team has compiled a list of important reminders and changes for fiscal year 2019 and 2020. **Please note this is NOT a complete list of regulations.** To obtain a copy of the 2019 or 2020 NACHA Operating Rules & Guidelines book, please visit www.nacha.org/store

Terms To Know

Originator

The entity or business that initiates the ACH entry to request funds from a customer or a different company's account.

Originating Depository Financial Institution (ODFI)

The financial institution that enters the ACH request into their system and forwards a batch of requests to an ACH Operator.

ACH Operator

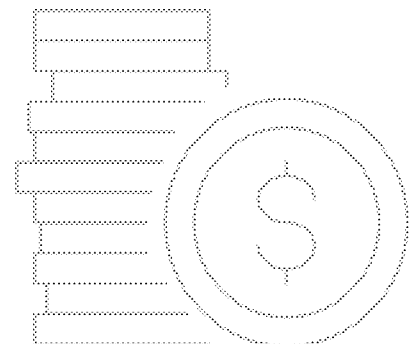
The institution that processes requests for many differed ODFIs and sends each request to the correct customer or company's bank.

Receiving Depository Financial Institution (RDFI)

The bank of the receiving customer or company that receives the request from the ACH Operator, verifies the request and deposits the funds to the appropriate account.

Receiver

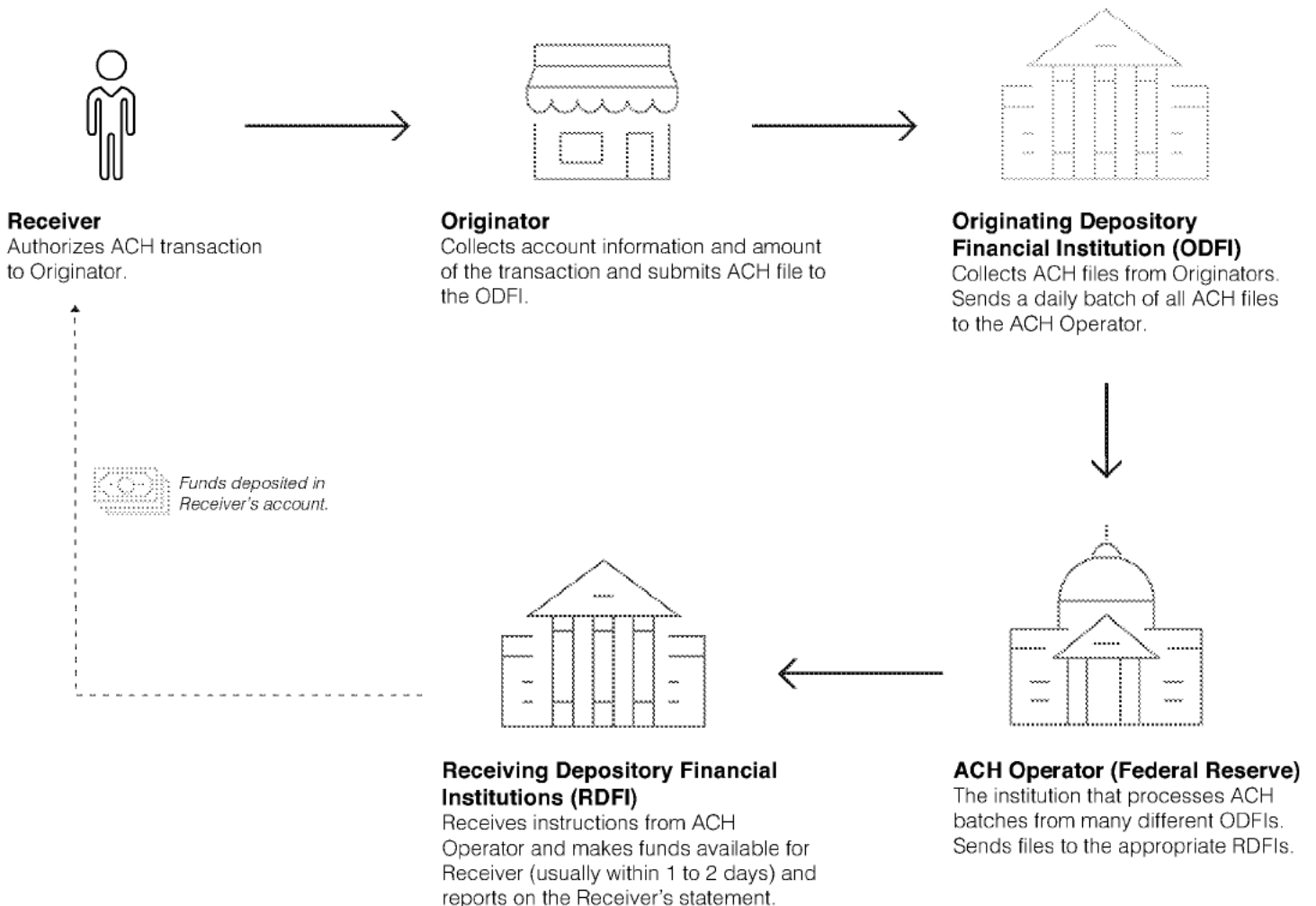
The customer or company that receives the funds, usually within 1 to 2 days.





How does an ACH transaction work?

As an Originator, your company receives authorization to initiate an ACH transaction from the Receiver's account. The Originator creates a unique file for the transaction and sends the file to your Originating Depository Financial Institution (ODFI), Evolve Bank & Trust. Evolve will collect information to verify the file. Once verified, a batch of ACH files are sent at one time to the ACH Operator, better known as the Federal Reserve. The ACH Operator will edit, sort and distribute the files to the appropriate Receiving Depository Financial Institution (RDFI). The RDFI receives files on behalf of account holders. Funds are usually received within 1 to 2 days and deposited into the Receiver's account.





NACHA Operating Rule Updates

Every year, NACHA updates the Operating Rules to reflect new regulations. Below are some important updates and their effective dates. Evolve Bank & Trust will annually communicate changes to ensure companies are educated.

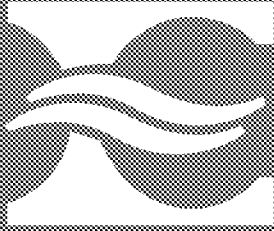
This update is not meant to replace the NACHA Operating Rules & Guidelines.

2019 UPDATES

- 1** **EFFECTIVE JANUARY 1, 2019** - *Applies to audits required to be conducted by December 31, 2019*
Annual ACH audit requirements for participating DFIs, Third-Party Providers and Third-Party Senders has been modified to allow the financial institution greater flexibility in conducting annual Rules compliance audits.
Note: Only required for Participating DFIs, Third-Party Providers and Third-Party Senders.
- 2** **EFFECTIVE SEPTEMBER 20, 2019**
New Funds available schedule: 4:45pm EST/3:45pm CST/2:45pm MT/1:45pm PST
An RDFI will be required to make funds available for Same Day ACH credits in this new Same Day ACH processing window no later than the end of its processing day.

2020 AND 2021 UPDATES

- 1** **EFFECTIVE MARCH 20, 2020**
The Same Day dollar amount has been increased from \$25,000 to \$100,000.
- 2** **EFFECTIVE JUNE 30, 2020** for 2019 ACH VOLUME GREATER THAN 6 MILLION (PHASE 1), and **JUNE 30, 2021** for 2020 ACH VOLUME GREATER THAN 2 MILLION (PHASE 2).
There are now requirements for large Originators and Third-Parties. The Rule expands the existing ACH Security Framework rules to require large, non-FI Originators, Third-Party Service Providers (TPSs) to protect deposit account information by rendering it unreadable when it is stored electronically.
- 3** **EFFECTIVE SEPTEMBER 18, 2020**
New window: 4:45pm EST/3:45pm CST/2:45pm MT/1:45pm PST
There is an additional ACH window added to send Same Day ACH Entries.
- 4** **EFFECTIVE MARCH 21, 2021** (*previously January 1, 2020*)
There are now fraud detection standards for originating WEB debit entries.

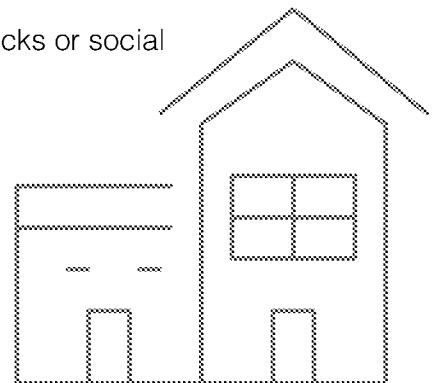
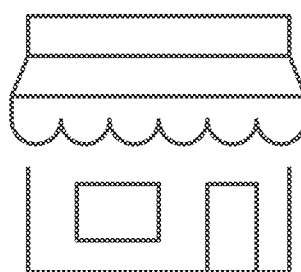
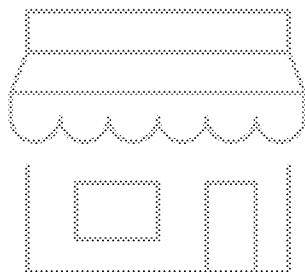
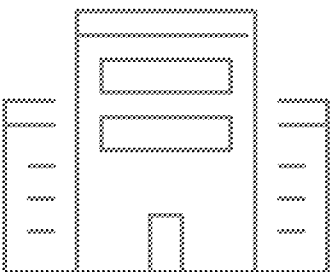


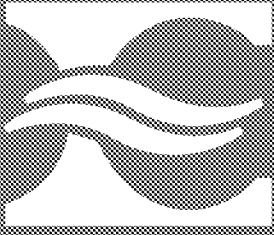
NACHA Reminders

Below are important reminders in order to comply with the NACHA Operating Rules. These reminders can serve as a quick guide and best practices, but always refer to the official NACHA Operating Rules Book for further details.

Your Responsibilities as an ACH Originator

- Obtain proper authorizations — dependent on transaction type — and retain authorizations for two years past revocation.
- Provide copy of authorization if requested by the financial institution within 10 banking days of request.
- Give appropriate notice to debtor if changing amount or date
- Protect your banking information received.
- Send entries on proper date.
- Make necessary changes to payee account information within 6 banking days when notified by the financial institution.
- Place your company name in the company batch header record.
- Cease subsequent entries if unauthorized/revoked returns are received until you obtain a new authorization such as R05, R07, R10, R29, R51). For a complete list of return codes, refer to the 2019 NACHA Operating Rules Book.
- Check payees against OFAC compliance checklists.
- Ensure information included in the NACHA File is accurate and follows the Technical Specifications of NACHA
- Ensure your computer and you are protected from corporate account attacks or social engineering attacks.





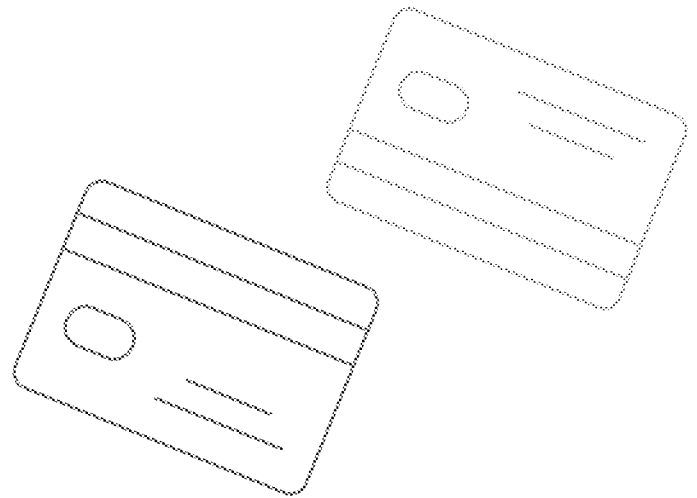
NACHA Reminders

Direct Deposit Payroll Authorizations (Consumers)

- Neither ACH Rules, nor Regulation E, require an authorization for ACH credit or reversals.
- Use a direct deposit authorization form that collects proper employee account information in the event a payroll adjustment is necessary.
- If possible, obtain a voided check from employees, not a deposit slip.
- Overriding mandatory information within the ACH batch will result in a rejection from the ACH network. Please refer to the mandatory edit section of the 2019 NACHA Operating Rules Book.
- The most common SEC code for direct deposit for consumers is PPD.

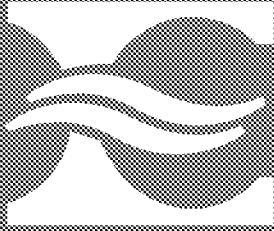
Consumer Debit Authorizations

- For consumers, an authorization to debit his or her account must be in writing or “similarly authenticated.”
- The most common SEC code for consumer debits is PPD.



Corporate Authorizations

- For companies, there must be an agreement between the two parties. However, the Rules do not define what constitutes as an agreement.
- The most common corporate SEC codes are CCD (Corporate Credits and Debits) and CTX (Corporate Trade Exchange).



NACHA Reminders

Changing Date or Amount of Debits

- ACH Rules require you to notify your debtors of any changes in date or amount debited under the following circumstances:
 - For *consumer and corporate*, 7 calendar day notice for a **change of date**
 - For *consumer only*, 10 calendar day notice for a **change in amount**
- Sending notices via U.S. mail is acceptable; however, best business practice is to send through multiple communication channels to ensure reception.

Prenotifications (Prenotes)

Prenotes are zero-dollar entries that precede the first live entry. The purpose of a prenote is to verify account information.

- Prenotes are optional for Originators to send. However, if sent, prenote rules must be followed and must precede the first live entry by at least 3 banking days.
- The Receiving Bank is not required to validate the name of the payee on the prenote, although many do; they are only required to check the account number. There is still a risk if the subsequent entry debits or credits the wrong account.

Notice of Change (NOC)

When ACH information is incorrect, a Notification of Change (NOC) is sent by the Receiving Bank requesting that future entries contain correct information. ACH rules require the changes to be made by Originators within 6 banking days of receiving the information from the financial institution.

- The Receiving Bank warrants that the information they provide is correct.
- The Originating Bank (Evolve) will notify you of any NOCs received.
- Evolve may pass any fines received to you for non-compliance from NACHA.



NACHA Reminders

Returns

- Returns must be processed by the Receiving Bank within 24 hours of settlement. Returns that are unauthorized beyond the 24 hours are the company's liability and any disputes may have to be settled outside the banking network. We recommend that you view your account activity daily.
 - Note: An exception to this rule is consumer unauthorized returns, which may be returned within 60 calendar days of posting through the ACH Network.
- The use of consumer (PPD) or corporate (CCD) entry codes determines applicable ACH return rules.
- If the Receiving Financial Institution (RFI) receives a dispute claiming a debit was unauthorized, the RFI must obtain a signed Written Statement of Unauthorized Debit (WSOUD) from the account holder. You may obtain a copy of that statement by requesting a copy through us as your financial institution.
- You may re-initiate a debit entry up to two times if you receive a return entry of "NSF" or "Uncollected Funds." This gives the Originator a total of three attempts at debiting an account.
- A "stop payment" return may be re-initiated only if you receive approval from the payee to re-send the item.
- It is a violation of ACH Rules to re-initiate the debit entry if a return is received for any other reason.

Reversals (*can only be used under certain conditions)

- Reversals may only be made for the following three conditions: wrong dollar amount, wrong account or duplicate transaction.
- When performing a reversal, the complete ACH file that was originally submitted must be reversed. The reversing entry must be for the full amount, must be sent within 5 banking days of original entry and within 24 hours of discovering the error.
- The Receiving Bank is under no obligation to post the reversing debit if it overdraws the payee's account or if the payee's account is closed.
- A payee must be notified if a reversing entry debits his or her account. However, a payee does not need to authorize the reversing debit.
- If a reversing entry or file must be made, please [contact us](mailto:contact@nacha.com).



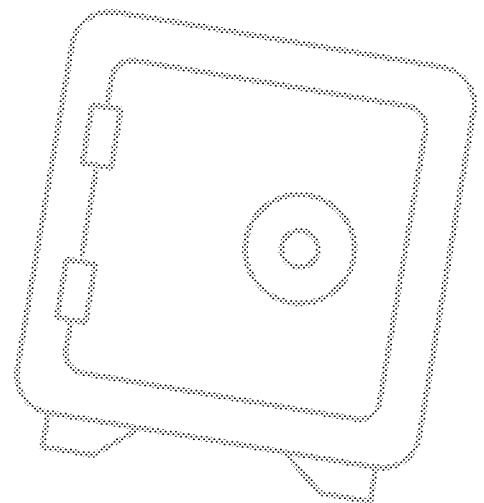
NACHA Reminders

OFAC (Office of Foreign Asset Control)

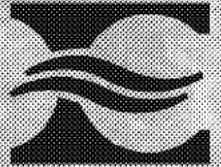
- You are required to check payees against OFAC compliance checklists.
- OFAC lists countries, groups and individuals that U.S. companies are not allowed to send funds to or receive funds from.
- Evolve must inform every client that it is against the law to send debit or credit entries to OFAC-blocked entities.
- Check the OFAC Specially Designated Nationals (SDN) list [here](#).

Security

- Comply with the **security procedures** including any code, password, personal identification number, user identification technology, token, certificate or other element, means or method of authentication or identification used in connection with a security procedure confidential.
 - Note: This information can be found in your ACH Originator agreement.
- Keep all security procedures and security devices protected, secure and strictly confidential and provide or make available to only your authorized representative(s).
- Ensure only users (designated by the admin at your company) have the authority to originate ACH transactions as stated on the ACH agreement.
- Educate your representative(s), agents and employees about the risks of fraud and train these individuals to avoid said risks.
- [Contact us](#) if you have any questions or have identified a possible fraudulent situation.



Questions?
We have answers.

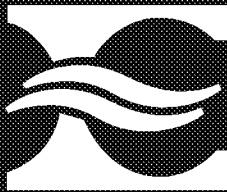


call



@getevolved.com

getevolved.com/processing



Primary Banking Application

Big or small,
we've got
your business
covered.



Let's get started.

In order to expedite your review process, we recommend you complete the form as thoroughly and accurately as possible. The information we ask for is necessary for compliance and aids in the approval process.



We're here to help you.

Throughout this process, we'll introduce you to several members of our team who specialize in all things Payment Processing. Together, we will support you at every turn and keep things moving forward to meet your timeline. If you have any questions, please don't hesitate to reach out.



Go paperless.

Your application can be filled out on your computer; you don't need to print, scan, or fax anything.

Get Processing. Get **Evolved.**

getevolved.com/processing



Primary Banking

Payment Processing Application

Date: _____

Applicant Information

Business Name ("Company"): _____

DBA (if multiple names, use additional sheet to list all): _____

Street Address (Street, City, ST, Zip): _____
Cannot be a P.O. Box

Mailing Address (if different from Street Address): _____

Company Phone: _____ Company Fax: _____ Company Website: _____

Federal Tax ID: _____

Year Established: _____ State(s) Licensed in: _____

Fiscal Year-End: _____ NAICS Code: _____

Type of Legal Entity:

- | | | |
|---|---|--|
| <input type="checkbox"/> Association/Estate/Trust | <input type="checkbox"/> LLC | <input type="checkbox"/> Limited Partnership |
| <input type="checkbox"/> Government (Federal/State/Local) | <input type="checkbox"/> LLP | <input type="checkbox"/> Private Corporation |
| <input type="checkbox"/> Individual/Sole Proprietor | <input type="checkbox"/> Non Profit/Tax-Exempt (501c) | <input type="checkbox"/> Publicly Traded Corporation |
| <input type="checkbox"/> Financial Institution | <input type="checkbox"/> Partnership | <input type="checkbox"/> SEC Registered Entity |

Business Description:

PRIMARY CONTACT(S)

Name: _____ Title: _____

Work Phone: _____ Mobile Phone: _____ Email: _____

Driver's License State & Number: _____ Driver's License Expiration Date: _____

Date of Birth: _____ Social Security Number: _____

Name: _____ Title: _____

Work Phone: _____ Mobile Phone: _____ Email: _____

Driver's License State & Number: _____ Driver's License Expiration Date: _____

Date of Birth: _____ Social Security Number: _____



BENEFICIAL OWNERSHIP INFORMATION 10% or more

To help the government fight financial crime, Federal regulation requires certain financial institutions to obtain, verify, and record information about the beneficial owners of certain legal entity customers. Legal entities can be abused to disguise involvement in terrorist financing, money laundering, tax evasion, corruption, fraud, and other financial crimes. Requiring the disclosure of key individuals who own or control a legal entity (i.e., the beneficial owners) helps law enforcement investigate and prosecute these crimes.

1. Please select all that apply.

- Sole Proprietorship

- Registered with the SEC

- Public accounting firm registered under Section 102 of the Sarbanes-Oxley Act

- Trust (Not formed by a state filing)

- Registered Public Accounting firm

- Account is being opened to finance the purchase or lease of equipment and for which payments are remitted directly by the financial institution to the vendor or lessor of the equipment.

- Organized under the laws of the U.S. or any State at least 51% of whose common stock or analogous equity interests are held in a listed entity.

- A foreign financial institution established in a jurisdiction where the regulator of such institution maintains beneficial ownership information regarding such institution.

- Department or agency of the U.S., of any State, or of any political subdivision of a State.

- Federal or state Regulated Financial Institution.

- Entity (other than a bank) whose common stock or analogous equity interests are listed on the New York, American or NASDAQ stock exchanges.

- An Estate, which exists without filing with the Secretary of State or equivalent office

- Registered with the FTC

- State regulated Insurance Company

- Unincorporated Association (e.g. scout troop, youth sports league).

- U.S. & U.S. state government entity

2. Is the Company an established nonprofit corporation or similar organization that has filed its organizational documents with the appropriate Secretary of State?

- Yes** If **Yes**, skip to Question 5.
- No** If **No**, please go to Question 3.



3. Does any one natural person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, own 25% or more in the equity interests in the Company?

- Yes** If **Yes**, fill out this section below and provide the following information for **each** natural person, who directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, **owns 25% or more** in the equity interests of the Company.
- No** If **No**, skip to Question 4.

Individual's Full Name	Ownership Percentage	Social Security Number/Tax ID*	Date of Birth (mm/dd/yyyy)	Individual Home Address (address, city, state, zip)	Identification:** Primary Type, Number, Issuer, Date of Issuance & Expiration (A copy of the ID must be provided with this form)

* For US Persons: Provide SSN; For Foreign Person(s): Provide Tax Identification number if available.

** For U.S. Persons: Driver's License or other government-issued identification documentation. For Foreign Persons: Passport Number and Country of Issuance, or other similar identification number. In lieu of a Passport number, foreign persons may also provide an alien identification card number, or number and Country of Issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or other safeguard.

4. Is there a legal entity that owns 25% or more of the Company?

- Yes** If **Yes**, please complete Question 5 AND complete the Beneficial Ownership Addendum on page 4.
- No** If **No**, skip to Question 5.

5. Controlling Person:

A controlling person is defined as an executive officer or senior manager (e.g. Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President or Treasurer) or any other individual who regularly performs similar functions.

Individual's Full Name and Title ex. John Smith, President	Social Security Number/Tax ID*	Date of Birth (mm/dd/yyyy)	Individual Home Address (address, city, state, zip)	Identification:** Primary Type, Number, Issuer, Date of Issuance & Expiration (A copy of the ID must be provided with this form)

* For US Persons: Provide SSN; For Foreign Person(s): Provide Tax Identification number if available.

** For U.S. Persons: Driver's License or other government-issued identification documentation. For Foreign Persons: Passport Number and Country of Issuance, or other similar identification number. In lieu of a Passport number, foreign persons may also provide an alien identification card number, or number and Country of Issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or other safeguard.



BENEFICIAL OWNERSHIP ADDENDUM

NOTE: *If this applies to multiple entities complete a separate addendum for each entity.*

This addendum should be used when there is legal entity or entities that owns 25% or more of the Company opening this account.

Name of Legal Entity that has ownership in Company: _____

Percentage ownership in Company: _____

Please complete Section A for **each** person or entity, who **owns 25% or more** in the equity interests of the **Legal Entity** listed above.

**** If not one natural person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 25% or more in the equity interest of the legal entity listed above, please check the box below and skip Section A and B.**

CHECK THIS BOX ONLY IF THE ABOVE STATEMENT IS APPLICABLE.

SECTION A	
Name	Ownership %
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

If INDIVIDUALS are listed above in Section A, please complete Section B below.

SECTION B

Individual's Full Name	Social Security Number/Tax ID*	Date of Birth (mm/dd/yyyy)	Individual Home Address (address, city, state, zip)	Identification: ** Primary Type, Number, Issuer, Date of Issuance & Expiration (A copy of the ID must be provided with this form)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

* For US Persons: Provide SSN; For Foreign Person(s): Provide Tax Identification number if available

** For U.S. Persons: Driver's License or other government-issued identification documentation. For Foreign Persons: Passport Number and Country of Issuance, or other similar identification number. In lieu of a Passport number, foreign persons may also provide an alien identification card number, or number and Country of Issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or other safeguard.



Additional Required Questions

If you answer **yes** to any of the following questions, please provide explanation in the box below. Attach additional pages if needed.

	YES	NO
Are any offices located outside the U.S.?	<input type="checkbox"/>	<input type="checkbox"/>
Has the Company, any principal, officer, manager, or authorized representative ever...		
• been indicted, arrested, or convicted of any crime other than minor traffic violations during the past ten years?	<input type="checkbox"/>	<input type="checkbox"/>
• been the subject of an administrative hearing by any Department or Agency of the Federal Government or any State Government during the past ten years?	<input type="checkbox"/>	<input type="checkbox"/>
• filed for Bankruptcy?	<input type="checkbox"/>	<input type="checkbox"/>
Is any principal, officer, manager, or authorized representative: (If yes, list the individual and country below.)		
• a senior foreign political figure or family member of a senior foreign political figure?	<input type="checkbox"/>	<input type="checkbox"/>
• a Senior Executive of a foreign corporation/entity?	<input type="checkbox"/>	<input type="checkbox"/>
Is this an Offshore Company or a foreign corporation/entity?	<input type="checkbox"/>	<input type="checkbox"/>
Is the Company a Money Services Business (MSB)?	<input type="checkbox"/>	<input type="checkbox"/>
Is the Company involved in Internet gambling (Reg GG)?	<input type="checkbox"/>	<input type="checkbox"/>
In the past 12 months has the Company had:		
• unfavorable change in its financial condition?	<input type="checkbox"/>	<input type="checkbox"/>
• changes in the entity's ability to effectively manage risk by proactively identifying and addressing issues?	<input type="checkbox"/>	<input type="checkbox"/>
• significant changes in information technology used, or the management of information systems?	<input type="checkbox"/>	<input type="checkbox"/>
• changes in the ability to respond to and recover from service disruptions or degradations and meet business resilience expectations?	<input type="checkbox"/>	<input type="checkbox"/>
• changes in agreements with other entities that may pose a conflict of interest or introduce reputation, operational, or other risks?	<input type="checkbox"/>	<input type="checkbox"/>
• unfavorable changes in the ability to timely and appropriately re-mediate customer complaints?	<input type="checkbox"/>	<input type="checkbox"/>
• significant changes in insurance coverage?	<input type="checkbox"/>	<input type="checkbox"/>
• changes with regard to retention of key personnel and the ability to retain essential knowledge in support of critical business activities?	<input type="checkbox"/>	<input type="checkbox"/>
• changes relating to the reliance on, performance of, and ongoing monitoring of subcontractors?	<input type="checkbox"/>	<input type="checkbox"/>
• changes in the process for adjusting policies, procedures, and controls in response to changing threats, new vulnerabilities, material breaches, or other serious incidents?	<input type="checkbox"/>	<input type="checkbox"/>
Is the Company affiliated with a foreign government or receives funds from a foreign government?	<input type="checkbox"/>	<input type="checkbox"/>
Is the Company publicly traded?	<input type="checkbox"/>	<input type="checkbox"/>

Explanation:



Primary Banking Information

Instructions: Please complete the following information to open an Evolve account.

ACCOUNT SIGNER(S)

Name: _____ Title: _____

Physical Address: _____ City: _____ State: _____ Zip: _____

Work Phone: _____ Mobile Phone: _____ Email: _____

Driver's License State & Number: _____ Driver's License Expiration Date: _____

Date of Birth: _____ Social Security Number: _____

Name: _____ Title: _____

Physical Address: _____ City: _____ State: _____ Zip: _____

Work Phone: _____ Mobile Phone: _____ Email: _____

Driver's License State & Number: _____ Driver's License Expiration Date: _____

Date of Birth: _____ Social Security Number: _____

ACCOUNT TYPE

(Standard DDA, FBO, FBO with vAccounts)

ACCOUNT NICKNAMES/PURPOSE

(Settlement, Operating, etc.)

INTERNET BANKING USER INFO

Name: _____ Email: _____ Admin Wire* Limit (\$): _____

Name: _____ Email: _____ Admin Wire* Limit (\$): _____

Name: _____ Email: _____ Admin Wire* Limit (\$): _____

**Additional Agreement Required*

BUSINESS DEBIT CARD (optional)

Name: _____ Email: _____ Limit (\$): _____

Name: _____ Email: _____ Limit (\$): _____

Name: _____ Email: _____ Limit (\$): _____

Other Solutions

If you would like to utilize other Evolve Solutions, please check the box next to each solution you'd like and complete the forms below. If you do not want any additional Solutions, please go to page 7 to sign and review page 8 for required due diligence documents to submit.

CHECK THE PRODUCTS YOU WISH TO HAVE ACCESS TO:

- Remote Deposit Capture (RDC) - Please complete the separate **RDC & Vault Cash Program Design Document**.
- Cash Vault - Please complete the separate **RDC & Vault Cash Program Design Document**.



SITE VISIT

Evolve Bank & Trust, or a third party representing Evolve Bank & Trust, may conduct site visits for all applicants. Applicants must assist with the site visit, and Evolve Bank & Trust must approve the results of the site visit. Site visits will continue for the duration of any relationship with Evolve Bank & Trust. Money Services Businesses, cryptocurrency-related businesses, and businesses engaged in Internet Gambling must undergo a site inspection.

A site visit includes, but is not limited to:

- an interview with you regarding the nature of your business.
- photographs of your business operation.

If the results of the site visit are not approved, Evolve Bank & Trust may decline your application.

PATRIOT ACT AND BACKGROUND AUTHORIZATION

To help the government fight the funding of terrorism and money laundering activities, the USA Patriot Act requires all financial institutions to obtain, verify, and record information that identifies each person (including business and entities) who opens an account. What this means for you: When you open an account, we will ask for your name, physical address, date of birth, taxpayer identification number, and other information that will allow us to identify you. We may also ask to see your driver's license and other identifying documents. The undersigned entity(ies) and individuals hereby unconditionally authorize Evolve Bank & Trust or its agents to (i) investigate the information and references contained herein, and to obtain additional information about the Company and such individual(s) by pulling credit bureau and criminal background checks on the Company and its principals, including obtaining reports from consumer reporting agencies on individuals signing below as an owner or general partner of Company, or providing their Social Security Number on the Application and (ii) update such information periodically throughout the terms of service of the Agreement. By providing your Social Security Number and signing this Application, you, in your individual capacity, unconditionally authorize Evolve Bank & Trust to obtain your consumer credit report.

IRS CERTIFICATION

Under penalty of perjury, I certify that:

1. The number shown on this form (Section 1) is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholdings as a result of a failure to report all interest in dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person.

Certification Instructions

You must cross out and initial # 2 above if you have been notified by the IRS that you are currently subject to backup withholding.

TO BE COMPLETED BY COMPANY AUTHORIZED REPRESENTATIVE

COMPANY ACCEPTANCE: The above business submitting this application ("Company") hereby accepts and agrees to the terms and conditions of this application. Company represents and warrants to Evolve Bank & Trust ("Evolve") that this Application has been reviewed and understood in its entirety, all of the information provided in and for the Application is true and correct, Evolve, or its agent, is properly authorized to investigate the credit of this Company and each person listed on the Application, and any final Agreements shall only be entered upon acceptance of this Application by Evolve, and Company's subsequent receipt of a processing identification number from Evolve.

I hereby confirm that all information contained herein is correct and factual to the best of my knowledge at the time of submission. Further, I confirm that I am duly authorized to submit this application on behalf of the Company named herein, and that the Company is aware that this application has been submitted on their behalf.

Name

Position

Signature

Date

Company



Due Diligence Documents

Below are the due diligence documents that we may require from potential clients. Please submit each required document to Evolve and contact us with any questions.

MINIMUM REQUIRED DOCUMENTS:

All applicants must submit the following due diligence documents with their completed application.

- Notarized corporate organizational documents:
 - + If Corporation, Articles of Incorporation and By Laws
 - + If LLC, Articles of Organization and Operating Agreement
 - + If Partnership, identification of all partners and partnership agreement
 - + If DBA or sole proprietorship, fictitious name statement
 - + If closely held private business, identification of all principals
 - + If public, identification of President/CEO
- Business License(s), unless business is Sole Proprietor or DBA, for primary state and a list of states in which the business operates
- Passport, U.S. issued driver's license, or U.S. issued photo ID on Principal(s) – 25% or greater
- EIN (SS-4 or W-9)

MSB/MTL, CRYPTO, DIGITAL BANKING AND STORED VALUE CLIENTS ONLY:

In addition to the above documents, please submit the following:

POLICIES/EXAMINATION DOCUMENTS

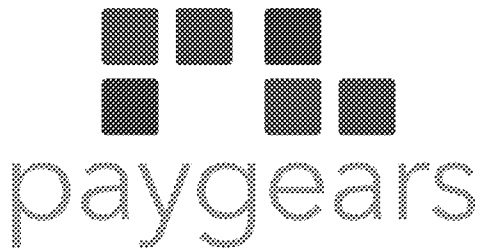
- All major Policies & Procedures (BSA/AML/KYC, Cyber/Information/Data Security, etc.)
- All major Reports & Examinations (SSAE16, Complaints, Audit, ACH, etc.) – if available

FINANCIAL DOCUMENTS:

- Bank Statements for last 3 months

MSB/MTL CLIENTS ONLY

- Agent or Merchant Agreement
- Agent or Merchant Oversight Program
- List of Agents or Merchants, as applicable
- Check Cashing License
- FinCen Registration
- Check Casher Policy (if different than AML policy) (check casher only)
- Example of Agent Review (if applicable)



Merchant Agreement

Date: _____

Applicant Information

Business Name ("Company"): _____

DBA (if multiple names, use additional sheet to list all): _____

Street Address: _____ City _____ State _____ Zip _____
Cannot be a P.O. Box

Previous Company Address (if applicable): _____ City _____ State _____ Zip _____

Mailing Address (if different from Street Address): _____ City _____ State _____ Zip _____

Company Phone: _____ Company Fax: _____ Company Website: _____

State(s) Licensed in: _____

Fiscal Year-End: _____ NAICS Code: _____

EIN/Tax ID: _____

PRIMARY CONTACT(S)

Name: _____ Title: _____

Work Phone: _____ Mobile Phone: _____ Email: _____

Driver's License State & Number: _____ Driver's License Expiration Date: _____

Date of Birth: _____ Social Security Number: _____

Name: _____ Title: _____

Work Phone: _____ Mobile Phone: _____ Email: _____

Driver's License State & Number: _____ Driver's License Expiration Date: _____

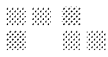
Date of Birth: _____ Social Security Number: _____

Name: _____ Title: _____

Work Phone: _____ Mobile Phone: _____ Email: _____

Driver's License State & Number: _____ Driver's License Expiration Date: _____

Date of Birth: _____ Social Security Number: _____



BENEFICIAL OWNERSHIP INFORMATION 25% or more

To help the government fight financial crime, Federal regulation requires certain financial institutions to obtain, verify, and record information about the beneficial owners of certain legal entity customers. Legal entities can be abused to disguise involvement in terrorist financing, money laundering, tax evasion, corruption, fraud, and other financial crimes. Requiring the disclosure of key individuals who own or control a legal entity (i.e., the beneficial owners) helps law enforcement investigate and prosecute these crimes.

1. Please select all that apply.

- Sole Proprietorship
- Registered with the SEC
- Public accounting firm registered under Section 102 of the Sarbanes-Oxley Act
- Trust (Not formed by a state filing)
- Registered Public Accounting firm
- Account is being opened to finance the purchase or lease of equipment and for which payments are remitted directly by the financial institution to the vendor or lessor of the equipment.
- Organized under the laws of the U.S. or any State at least 51% of whose common stock or analogous equity interests are held in a listed entity.
- A foreign financial institution established in a jurisdiction where the regulator of such institution maintains beneficial ownership information regarding such institution.
- Department or agency of the U.S., of any State, or of any political subdivision of a State.
- Federal or state Regulated Financial Institution.
- Entity (other than a bank) whose common stock or analogous equity interests are listed on the New York, American or NASDAQ stock exchanges.
- An Estate, which exists without filing with the Secretary of State or equivalent office
- Registered with the FTC
- State regulated Insurance Company
- Unincorporated Association (e.g. scout troop, youth sports league).
- U.S. & U.S. state government entity

2. Is the Company an established nonprofit corporation or similar organization that has filed its organizational documents with the appropriate Secretary of State?

- Yes** If **Yes**, skip to Question 5.
- No** If **No**, please go to Question 3.

3. Does any one natural person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, own 25% or more in the equity interests in the Company?

- Yes** If **Yes**, fill out this section below and provide the following information for **each** natural person, who directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, **owns 25% or more** in the equity interests of the Company.
- No** If **No**, skip to Question 4.

Individual's Full Name	Ownership Percentage	Social Security Number/Tax ID*	Date of Birth (mm/dd/yyyy)	Individual Home Address (address, city, state, zip)	Identification:** Primary Type, Number, Issuer, Date of Issuance & Expiration (A copy of the ID must be provided with this form)

* For US Persons: Provide SSN; For Foreign Person(s): Provide Tax Identification number if available.

** For U.S. Persons: Driver's License or other government-issued identification documentation. For Foreign Persons: Passport Number and Country of Issuance, or other similar identification number. In lieu of a Passport number, foreign persons may also provide an alien identification card number, or number and Country of Issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or other safeguard.

4. Is there a legal entity that owns 25% or more of the Company?

- Yes** If **Yes**, please complete Question 5 AND complete the Beneficial Ownership Addendum on page 4.
- No** If **No**, skip to Question 5.

5. Controlling Person:

A controlling person is defined as an executive officer or senior manager (e.g. Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President or Treasurer) or any other individual who regularly performs similar functions.

Individual's Full Name and Title ex. John Smith, President	Social Security Number/Tax ID*	Date of Birth (mm/dd/yyyy)	Individual Home Address (address, city, state, zip)	Identification:** Primary Type, Number, Issuer, Date of Issuance & Expiration (A copy of the ID must be provided with this form)

* For US Persons: Provide SSN; For Foreign Person(s): Provide Tax Identification number if available.

** For U.S. Persons: Driver's License or other government-issued identification documentation. For Foreign Persons: Passport Number and Country of Issuance, or other similar identification number. In lieu of a Passport number, foreign persons may also provide an alien identification card number, or number and Country of Issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or other safeguard.

BENEFICIAL OWNERSHIP ADDENDUM

This addendum should be used when there is legal entity or entities that owns 25% or more of the Company opening this account. **NOTE: If this applies to multiple entities complete a separate addendum for each entity.**

Name of Legal Entity that has ownership in Company: _____

Percentage ownership in Company: _____

Please complete Section A for **each** person or entity, who **owns 25% or more** in the equity interests of the Legal Entity listed above.

**** If not one natural person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 25% or more in the equity interest of the legal entity listed above, please check the box below and skip Section A and B.**

CHECK THIS BOX ONLY IF THE ABOVE STATEMENT IS APPLICABLE.

SECTION A

Name	Ownership %

If **INDIVIDUALS** are listed above in Section A, please complete Section B below.

SECTION B

Individual's Full Name	Social Security Number/Tax ID*	Date of Birth (mm/dd/yyyy)	Individual Home Address (address, city, state, zip)	Identification:** <small>Primary Type, Number, Issuer, Date of Issuance & Expiration (A copy of the ID must be provided with this form)</small>

* For US Persons: Provide SSN; For Foreign Person(s): Provide Tax Identification number if available

** For U.S. Persons: Driver's License or other government-issued identification documentation. For Foreign Persons: Passport Number and Country of Issuance, or other similar identification number. In lieu of a Passport number, foreign persons may also provide an alien identification card number, or number and Country of Issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or other safeguard.

ADDITIONAL REQUIRED INFORMATION

Is the Company a Money Services Business (MSB)? Yes No

If yes, please explain below and complete the separate Non-Bank Financial Services (NBFS) Questionnaire.

[Empty text box for MSB explanation]

Is the Company involved in Internet gambling (Reg GG)? Yes No

If yes, please explain below and complete the separate Reg GG Acknowledgment.

[Empty text box for Internet gambling explanation]

FUNDING AND ACCOUNT INFORMATION

Name of Bank:

Routing Number (always consists of 9 digits):

Account Number (number of digits will vary):

The image below shows where to find your Routing Number and Account Number.



.....

Routing Number
(the 9 digit between the xx symbols)

.....

Account Number
(the digit left of the xx symbol)

.....

Check number

Choose your Solutions.

Please check the box next to **each solution you think you might need**. Complete the additional questions *(if applicable)* on the pages listed below. Your answers help our team prepare fee schedules and other custom items for your company.

Accounts

- Primary Banking** Please complete the form on page 7.

Card Services

Acquiring

- | | |
|---|---|
| <input type="checkbox"/> Push to Card | <input type="checkbox"/> Stand-Alone Network Sponsorship |
| <input type="checkbox"/> POS and eCommerce | <input type="checkbox"/> Debit |
| <input type="checkbox"/> MasterCard Cash Pick-Up | <input type="checkbox"/> Credit |
| <input type="checkbox"/> RPPS | <input type="checkbox"/> ISO BIN Sponsorship |

Transactions

- ACH** Please complete the form on page 9.
- Check Printing**
- Remote Deposit Capture** Please complete the form on page 9.
- Vault Cash**
- Wires**

Accounts

Primary Banking Information

ACCOUNT SIGNER(S)

Name: _____ Title: _____
 Physical Address: _____ City: _____ State: _____ Zip: _____
 Work Phone: _____ Mobile Phone: _____ Email: _____
 Driver's License State & Number: _____ Driver's License Expiration Date: _____
 Date of Birth: _____ Social Security Number: _____

Name: _____ Title: _____
 Physical Address: _____ City: _____ State: _____ Zip: _____
 Work Phone: _____ Mobile Phone: _____ Email: _____
 Driver's License State & Number: _____ Driver's License Expiration Date: _____
 Date of Birth: _____ Social Security Number: _____

ACCOUNT TYPE	ACCOUNT NICKNAMES/PURPOSE
(Standard DDA, FBO, FBO with vAccounts)	(Settlement, Operating, etc.)

INTERNET BANKING USER INFO

		FEATURE ACCESS:
Name: _____	Email: _____	Admin <input type="checkbox"/> Wire* <input type="checkbox"/> Limit (\$): _____
Name: _____	Email: _____	Admin <input type="checkbox"/> Wire* <input type="checkbox"/> Limit (\$): _____
Name: _____	Email: _____	Admin <input type="checkbox"/> Wire* <input type="checkbox"/> Limit (\$): _____

*Additional Agreement Required

BUSINESS DEBIT CARD (optional)

Name: _____	Email: _____	Limit (\$): _____
Name: _____	Email: _____	Limit (\$): _____
Name: _____	Email: _____	Limit (\$): _____

*Additional Agreement Required

Card Services

Credit Card Processing

Sales Method:

% Swiped + _____ % Imprinted + _____ % MO/TO + _____ % Internet = 100%

VISA/MC/DISCOVER

_____ Visa/MC/Discover Average Ticket (\$)
 _____ Visa/MC/Discover Maximum Ticket (\$)
 _____ Visa/MC/Discover Monthly Volume (\$)

AMEX

_____ AMEX Average Ticket (\$)
 _____ AMEX Maximum Ticket (\$)
 _____ AMEX Monthly Volume (\$)

CREDIT CARD PROCESSING FEE STRUCTURE

Please select one of the following fee structures and complete the information associated with that structure.

Interchange Plus Tiered ERR

Interchange Plus

_____ Visa/MC/Discover Credit (%)
 _____ Visa/MC/Discover Debit (%)
 _____ Other Item Rate(\$)
 _____ Other Volume (%)

Tiered

<i>Discount(%)</i>	<i>Transaction Fee(\$)</i>	
_____	_____	Visa/MC/Discover Debit Qual
_____	_____	Visa/MC/Discover Credit Qual
_____	_____	Visa/MC/Discover Mid-Qual
_____	_____	Visa/MC/Discover Non-Qual

ERR

<i>Discount(%)</i>	<i>Transaction Fee(\$)</i>	
_____	_____	Visa/MC/Discover Debit Qual
_____	_____	Visa/MC/Discover Credit Qual

OTHER TRANSACTION FEES (ALL CARD TYPES)

_____ Authorization Fee (\$)	_____ Statement Fee (\$)	_____ Return Transaction Fee (\$)
_____ Gateway Transaction Fee (\$)	_____ Item Fee (\$)	_____ Per Occurrence Fees (\$)
_____ Batch Fee (\$)	_____ Wireless Transaction Fee (\$)	_____ Online Reporting (\$)
_____ Chargeback Fee (\$)	_____ Retrieval Fee (\$)	

OTHER CARD TYPES (IF APPLICABLE)

PIN Debit

_____ Monthly Debit Access Fee (\$)
 _____ Other Volume (%)
 _____ Other Item Rate(\$)

EBT

Food Stamps Cash Benefits

FNS#:

_____ Other Item Rate(\$)

Special Fee Conditions/Notes:

Card Services *continued*

Credit Card Processing *continued*

Preferred Discount Method (final determination made by processor). Please check one box per question.

- Daily OR Monthly
 Pass through all brand fees OR Pass through dues and assessments

AMEX

Please select one.

- American Express Opt Blue
 AMEX ESA (Over \$1M annually
 ESA SE#: _____
 Decline AMEX

Interchange Plus

Discount (%)
 Other Volume (%)
 Other Item Rate (\$)

Tiered

Qualified (%)
 Mid-Qual (%)
 Non-Qual (%)

Estimated Annual AMEX Volume (\$):

Pass American Express Network Fee? YES NO

OTHER FEES

Please input the following values for only the additional fees you will be collecting or passing through.

<input type="text"/>	Voice Authorization per transaction ARU(\$)	<input type="text"/>	Per ACH Reject Fee (\$)
<input type="text"/>	Authorization per transaction (\$)	<input type="text"/>	TIN Mismatch Fee (\$)
<input type="text"/>	Monthly PCI Compliance Fee (\$)	<input type="text"/>	Government Compliance per month (\$)
<input type="text"/>	Annual PCI Compliance Fee (\$)	<input type="text"/>	Dispute Resolution (\$)
<input type="text"/>	PCI Non-Compliance Fee per month (\$)	<input type="text"/>	Annual Fee (\$)

AMEX Fee Conditions/Notes:

Card Services *continued*

Processing Details (Required for card-not-present transactions)

What is the delivery time frame to the consumer?

- 0-7 days
- 8-14 days
- 15-30 days
- 30+ Days

Are consumers required to provide a deposit?

- Yes
- No, paid in full

If **yes**, what deposit percentage? _____

How far in advance do you take payments? _____

What is your return, cancellation or refund policy? _____

Will the product be marketed or sold outside of the U.S.?

- YES
- NO

If **yes**, please describe: _____

What percentage of sales transactions are with international cards? _____

Who owns the product?

- Merchant
- Vendor

Please provide the name and address of the fulfillment house (if any):

Name: _____ Address: _____

Please provide the name and address of your supplier house (if any):

Name: _____ Address: _____

How do you advertise? Select all that apply.

- Catalog
- TV/Radio
- Direct Mail
- Internet
- Other: _____

What is your warranty/guaranty? _____

Is your business seasonal?

- YES
- NO

If **yes**, please list your in-season: _____

Transactions

ACH

Are you presently or have you ever been an ACH Sender? If **yes**, list processor below.

YES NO

Have you ever been terminated as an ACH Sender? If **yes**, list the reason(s) for termination below.

YES NO

Explanation(s):

ACH AUTHORIZED REPRESENTATIVES

The names of the employees listed below are vested by the Company with full authority to access Paygears ACH Origination Program and Originate files of Entries, as well as, communicate with Paygears.

Name	Email	Phone	Receive return file	Original files	Access to SFTP site
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ACH PROCESSING

- Corporate Credit or Debit? CCD Credit CCD Debit
- Pre-arranged Payment and Deposits? PPD Credit PPD Debit
- Web Initiated Entries? Yes No

Statement Descriptor (15 characters maximum):

MERCHANT ACTIVITY

of Average Items (per Month)

Average Item Amount (\$)

of Average Returns (per Month)

REQUESTED LIMITS

Max Transaction Amount (\$)

Max Monthly Volume (\$)

Max Daily Volume (\$)

Daily Transaction Count (#)

Monthly Transaction Count (#)

REMOTE DEPOSIT CAPTURE (RDC)

SELECT THE PRODUCTS YOU WISH TO HAVE ACCESS TO:

- RDC Web Upload (Remote Deposit Now)
- X9 File via SFTP



Bank and Association Disclosure

Merchant Service Provider Information ("ISO"): Paygears 5100 Poplar Avenue, Suite 2904 Memphis, TN 38137 901.800.5640 www.paygears.com

Member Bank Information ("Bank"): Evolve Bank & Trust, 6070 Poplar Avenue, Memphis, TN 38119 901-624-5500 www.getevolved.com

Important Bank Responsibilities:

- Bank is the only entity approved to extend acceptance of VISA products directly to a Merchant.
- Bank is and must be a principal (signor) to the Merchant Agreement.
- Bank is responsible for educating Merchants on pertinent VISA Operating Regulations with which Merchants must comply.
- Bank is responsible for and must provide Settlement funds to the Merchant.
- Bank is responsible for all funds held in reserve that are derived from settlement.

Important Merchant Responsibilities:

- Ensure compliance with Cardholder data security, transmission, disclosure and storage requirements.
- Maintain fraud and chargebacks below thresholds.
- Review and understand the terms of the Merchant Agreement.
- Comply with VISA, MasterCard, and Discover Operating Regulations, including not using a Merchant Servicer unless approved by Bank and ISO.
- You may download Visa Regulations from their website at: http://usa.visa.com/merchants/operations/op_regulations.html
- You may download MasterCard Regulations from their website at: <http://www.mastercard.com/us/merchant/support/rules.html>
- You may download merchant information from their website at <http://www.discovernetwork.com/merchants/index.html>

MERCHANT ACCEPTANCE AND DECLARATIONS

Resolution: (Note: only applicable if the business submitting this Application is a corporation, partnership, limited liability partnership or limited liability company) The undersigned hereby certifies that a resolution a substantially similar to the following was adopted by the Board of Directors (or partners/members as applicable) of the organization submitting this application (the "Merchant"), at which a quorum was present; and that such resolutions are in conformity with the provisions of the articles and bylaws (or partnership or operating agreement) of the Merchant; and that such resolutions are now in full force and effect and have not been amended or revoked. "RESOLVED, that the individual who has signed the Merchant Agreement set forth below is hereby authorized and directed to prepare, execute, and make an application to ISO and Bank (collectively, "Service Providers") for payment card processing under the Service Provider's Merchant Agreement (the "Agreement"), and such person, as well as any other officer/partner/member of the Merchant is authorized to negotiate and amend the terms and conditions of the Agreement on behalf of and in the name of the Merchant, thereby binding the Merchant, and the Merchant shall be responsible for the payment of all amounts owing to Service Providers pursuant to the terms and conditions of the Agreement from time to time; RESOLVED, that the Secretary/General Partner/Manager of the Merchant (whether or not the same person who will or has signed the Agreement) is authorized and directed to certify in connection with an application for the Agreement that the foregoing resolutions and the provisions thereof are in conformity with, as applicable, the articles and bylaws (or operating agreement) of the Merchant and that the foregoing resolutions and the authority contained therein shall remain in full force and effect until the following conditions are met: (i) the Merchant notifies Service Providers to the contrary in writing, and (ii) the Merchant terminates the Agreement; provided, however, the Merchant acknowledges that, in any case, following termination Merchant will remain obligated for all amounts due under the Agreement; and FURTHER RESOLVED, that the individual who has signed Agreement, as well as any officer/partner/member of the Merchant is hereby authorized to perform such other acts as may be necessary and proper in connection with the Merchant's obligations under the Agreement."

Initials of Person Making Certification:

By signing below the individual(s): (1) Certifies that he/she is the Merchant or is authorized to make and execute this application on behalf of the Merchant, and that all information and documents submitted in connection with this Application are true and complete; (2) Authorizes Service Providers: (a) to verify any of the information provided on this Application; (b) to investigate, obtain, and exchange reports and information, including information from the Internal Revenue Service, regarding the creditworthiness of both that individual and, the Merchant; (c) if this Application is approved, to update that information from time to time; and (d) to share this information with its affiliates; (3) Acknowledges having retrieved, printed and read a copy of the Terms and Conditions attached hereto. This Application is subject to approval by Service Providers.

I have read the above Terms and Conditions:

The undersigned hereby authorizes Paygears, in accordance with this Application and the Terms and Conditions, to initiate debit and credit entries to the business checking account as indicated on the enclosed voided check. This authority is to remain in full force and effect until (a) Paygears has received written notification from Merchant of its intent to cancel in such manner as to afford Paygears reasonable opportunity to act on it; and (b) all obligations of Merchant to Paygears that have arisen under the Merchant Agreement have been paid in full, nt. This authorization extends to such entries in said account concerning lease, rental or purchase agreements for software and/or accompanying equipment. By signing below, the undersigned hereby certifies that the information provided in this Application is, to the best of his/her knowledge, complete and correct, and acknowledges having retrieved, printed and read a copy of the Terms and Conditions and all exhibits thereto. The undersigned further certifies that he/she is an individual holding significant responsibility for managing the business listed above, such as a corporate officer (CEO, etc.), senior executive or other individual who regularly performs similar functions and able to bind the company into legal contracts.

I have read the above Terms and Conditions:

Additional Signatures

PATRIOT ACT AND BACKGROUND AUTHORIZATION

To help the government fight the funding of terrorism and money laundering activities, the USA Patriot Act requires all financial institutions to obtain, verify, and record information that identifies each person (including business and entities) who opens an account. What this means for you: When you open an account, we will ask for your name, physical address, date of birth, taxpayer identification number, and other information that will allow us to identify you. We may also ask to see your driver's license and other identifying documents. The undersigned entity(ies) and individuals hereby unconditionally authorize PayGears, Inc. and its agents to (i) investigate the information and references contained herein, and to obtain additional information about the Company and such individual(s) by pulling credit bureau and criminal background checks on the Company and its principals, including obtaining reports from consumer reporting agencies on individuals signing below as an owner or general partner of Company, or providing their Social Security Number on the Application and (ii) update such information periodically throughout the terms of service of the Agreement. By providing your Social Security Number and signing this Application, you, in your individual capacity, unconditionally authorize PayGears, Inc. to obtain your consumer credit report.

TO BE COMPLETED BY COMPANY AUTHORIZED REPRESENTATIVE

COMPANY ACCEPTANCE: The above business submitting this application ("Company") hereby accepts and agrees to the terms and conditions of this application. Company represents and warrants to PayGears, Inc. that this Application has been reviewed and understood in its entirety, all of the information provided in and for the Application is true and correct, PayGears, or its agent, is properly authorized to investigate the credit of this Company and each person listed on the Application, and any final Agreements shall only be entered upon acceptance of this Application by PayGears, and Company's subsequent receipt of a processing identification number from PayGears.

I hereby confirm that all information contained herein is correct and factual to the best of my knowledge at the time of submission. I also agree to notify PayGears of any change in the information provided within this Application. Further, I confirm that I am duly authorized to submit this application on behalf of the Company named herein, and that the Company is aware that this application has been submitted on their behalf.

Owner/Officer Signature #1	Title	Date
Owner/Officer Signature #2	Title	Date



Due Diligence Documents

Below are the due diligence documents that we may **require** from all potential clients. Please contact us with any questions.

POLICIES/EXAMINATION DOCUMENTS

- All major Policies & Procedures (BSA/AML/KYC, Cyber/Information/Data Security, etc.)
- All major Reports & Examinations (SSAE16, Complaints, Audit, ACH, etc.) – if available
- Copies of Crime/Professional/Cyber Insurance Policies
Please refer to the "Third Party Insurance Limits" document found in the Retain for Reference folder for insurance requirements.
- Complaint Management Policy
- Terms of Service
- Acceptable use Policy
- Business Continuity Plan
- IT Audit Certifications
- Privacy Policy
- Independent Review
- NACHA Audit (ACH Origination only)

CORPORATE DOCUMENTS:

- Notarized corporate organizational documents:
 - + If Corporation, Articles of Incorporation and By Laws
 - + If LLC/LCP, Articles of Organization and Operating Agreement
 - + If Partnership, identification of all partners
 - + If DBA or sole proprietorship, fictitious name statement
 - + If closely held private business, identification of all principals
 - + If public, identification of President
- Business License(s), unless business is Sole Proprietor or DBA, for primary state and a list of states in which the business operates
- Passport, U.S. issued driver's license, or U.S. issued photo ID on Principal(s) – 25% or greater
- EIN (SS-4 or W-9)
- Entity Holding Chart (Business Ownership Structure)
- List of locations and operational centers
- Principal's Resume(s)
- Compliance Officer Resume
- Operational Organization Chart, including compliance and headcount

FINANCIAL DOCUMENTS:

- Company Tax Returns for the last 2 years
- Audited Financial Statements for the last 2 years (Balance Sheet, Income Statement, Statement of Cash Flows)
- Interim Financial Statements for the current year (Most Recent Balance Sheet and YTD P&L)
- Current processing reserve balance break-down – Holdback and Chargeback losses (if applicable)
- Processing Statements for last 3 months (if applicable)
- Bank Statements for last 3 months

COMPLIANCE DOCUMENTS

- PCI Compliance SAQ
- CTR Review
- SAR Review
- Compliance Monitoring Software Review (Model Validation)

MSB/MTL CLIENTS ONLY

- Agent or Merchant Agreement
- Agent or Merchant Oversight Program
- List of Agents or Merchants, as applicable
- Check Cashing License
- FinCen Registration
- Check Casher Policy (if different than AML policy) (check casher only)
- Example of Agent Review (if applicable)



Terms and Conditions

These Terms and Conditions (which combined with the Merchant Application constitute the Merchant Agreement) entered into by PayGears Inc., and you. For purposes of these Terms and Conditions, "you", "your", and "Merchant" collectively refers to the business entity on whose behalf you are acting and its designated agents, principals, guarantors, or owners. By applying for or using the Services, you are agreeing to the terms of this Agreement. You agree that Bank may rely on the information you provided in your Merchant Application for approval and underwriting of this Agreement. Services may be performed by PayGears, our Affiliates, our agents, or other third parties we may designate and such entities may hereafter collectively be referred to as "Service Providers").

1. Definitions.

- 1.1. "ACH" means the Automated Clearing House paperless entry system operated by the Federal Reserve.
- 1.2. "Authorization" shall mean an affirmative response by or on behalf of an Issuer, to affect a Purchase, that a Purchase is within the Cardholder's available purchasing limit and that the Cardholder has not reported the Card lost or stolen. A Purchase must still be done to capture the Cardholder's funds
- 1.3. "AVS" (Address Verification System) means the system whose access is provided by Bank that allows verification of the Cardholder's ZIP code and billing address while requesting authorizations for Transactions or during a request for address verification only.
- 1.4. "Bank" means Evolve Bank and Trust, an Arkansas state-chartered bank.
- 1.5. "Bank Account" means a demand deposit account at Bank, or other approved financial institution, maintained by Merchant, as set forth in Section 10, for the crediting of Purchase proceeds and the debiting of Disbursements, fees and charges pursuant to this Agreement. The name of the financial institution, routing number and account number will be listed in the Merchant Application.
- 1.6. "Business Day" shall mean any day other than: (i) Saturday or Sunday; (ii) A day on which banking institutions in Arkansas are authorized by law or executive order to be closed (and on which Bank is in fact closed); or (iii) A day on which the Federal Reserve Bank is closed.
- 1.7. "Card" means (i) a valid debit, credit, and/or prepaid debit card in the form issued under license from Visa U.S.A. Inc., Visa International, Inc., MasterCard International Incorporated, Discover Network, or American Express® Travel Related Services Company Inc. (AXP); or (ii) any other valid debit and/or prepaid debit card accepted by Merchant and facilitated by Bank.
- 1.8. "Card Issuer" means the financial institution or company which has provided a Card to the Cardholder.
- 1.9. "Card Network" means VISA, Mastercard, Discover, American Express, STAR, NYCE, PULSE, Maestro, Accel, CULIANCE and other networks that route Transactions to Card Issuers as may be added or eliminated from time to time by Bank at their sole discretion.
- 1.10. "Cardholder" means the person who purports to be the person in whose name the Card is issued.
- 1.11. "Chargeback" means the procedure by which the value of a Sales Draft (or disputed portion thereof) is returned to Bank by a Card Issuer.
- 1.12. "Credit Voucher" means a document executed by a Merchant evidencing any refund or price adjustment relating to Cards to be credited to a Cardholder account.
- 1.13. "CVV2" means a three or four-digit numeric code on a Card allowing Merchant to verify Cardholder's possession of Card if passed in a Purchase or Authorization.
- 1.14. "Data" means all messages, images, files, data and other information transmitted from a Party to the other Parties.
- 1.15. "Disbursement" shall mean the payment to a customer by Merchant using the customer's Card to receive the funds, through the use of a Card Network. Bank performs a subsequent Settlement to debit the Merchant Bank Account and pay the appropriate Card Network.
- 1.16. "Merchant Application" shall mean the accompanying Merchant Application, executed by Merchant.
- 1.17. "Merchant Statement" shall mean an itemized daily and monthly statement of all charges and credits to the Bank Account.
- 1.18. "Purchase" means the exchange of goods or services from Merchant to a customer in exchange for payment. Customer makes payment to Merchant with a Card through the use of a Card Network for collection. Bank performs a subsequent Settlement to deposit funds to the Merchant Bank Account, using Bank reports, after receiving payment from the appropriate Card Network.
- 1.19. "Recurring Transaction" shall mean Transactions which have been pre-authorized by the Cardholder and for which the goods or services are to be delivered or performed in the future by Merchant without having to obtain approval from the Cardholder each time.
- 1.20. "Reserve Account" has the meaning set forth in Section 13.
- 1.21. "Reversal" shall mean the reversing of a completed Transaction.
- 1.22. "Rules" means the rules, regulations, releases, interpretations and other requirements (whether contractual or otherwise) imposed or adopted by any Card Network and related authorities, including those of the PCI Security Standards Council, LLC and the National Automated Clearing House Association.
- 1.23. "Sales Draft" means a receipt of acknowledgement provided to the Cardholder subsequent to a Transaction, which is a binding contract between Merchant and the Cardholder.
- 1.24. "Services" shall mean the processing services including Disbursements, Purchases, Address Verification, Reversals, Voids, Authorization, Chargeback processing, Settlement, setup, periodic reports, and ongoing support provided by PayGears under this Agreement.
- 1.25. "Settlement" means Bank reports, (i) crediting the Bank Account after receiving proceeds for Purchases from the Card Networks and (ii) debiting the Bank Account and paying the Card Networks for past Disbursements.
- 1.26. "Transaction" shall mean a Disbursement or Purchase transaction.

2. The Services. The Services are available only for your internal use and only in the United States (but not the U.S. Virgin Islands, Puerto Rico, and other U.S. territories and possessions). To be eligible to use the Services, you: must not be domiciled, reside, or have a principal place of business outside the

United States; must not be engaged in any illegal activity or any activity reasonably likely to cause notoriety, harm, or damage to the reputation of PayGears, our sponsor banks, and card or payment networks (such as VISA, MasterCard, American Express, Discover, JCB, NACHA, PayPal, and Apple Pay); must not be listed on a VISA Terminated Merchant File, MasterCard MATCH, or any other third party or governmental prohibited merchant or individual lists; and must comply with any of our policies. You may only use the Services for the business and purpose described by you in your Merchant Application.

3. Card Acceptance. a) Merchant has the option of limiting its card acceptance to any or all of the following card types: Visa prepaid debit, Visa signature debit, Visa credit (as applicable Rules may allow), MasterCard prepaid debit, MasterCard signature debit, MasterCard credit (as applicable Rules may allow), Discover Network prepaid debit, Discover Network signature debit, Discover credit (as applicable Rules may allow), and American Express credit (as applicable Rules may allow). Merchant's Services will initially be set up to accept all debit and prepaid card types. To add credit cards or limit Merchant's acceptance, Merchant may contact PayGears and if allowed by the Rules such instructions will be implemented without unreasonable delay by PayGears. (b) When accepting a Card, Merchant will follow the steps provided by PayGears, and will: (i) Determine in good faith and to the best of its ability that the Card is valid on its face; (ii) Check the effective date (if any) and the expiration date of the Card, and, if physical card is presented, examine any card security features (such as a hologram) included on the Card; (iii) Obtain Authorization before completing any Transaction; (iv) Use commercially reasonable processes to determine the identity of the customer (including any applicable OFAC screening as indicated in the Merchant Application) and where Authorization is obtained, warrant the customer owns the Authorized Card; (v) Where applicable, enter a description of the goods sold or services provided and the price thereof (including any applicable taxes); (vi) Obtain the Cardholder's electronic or physical signature on the Sales Draft, when required according to the Rules, and, if physical card is presented, compare that signature to the signature on the Card; (vii) Deliver a true and completed copy of the Sales Draft to the Cardholder, which can be by email or other electronic means, at the time of delivery of the goods or completion of the services; (viii) Offer the Sales Draft or other transaction record to Service Providers for purchase according to Service Providers' procedures and the terms of this Agreement; (ix) Ensure that the Purchase or Disbursement is in full compliance with the provisions of the Rules of the applicable Card Network, as amended from time to time; and (x) Without limiting the generality of the foregoing, ensure that each Purchase, Disbursement, or other Transaction request that contains Card numbers submitted hereunder, and the handling, retention, disclosure and storage of information related thereto, will comply with the applicable Rules and regulations of Visa, MasterCard, Discover, American Express, other Card Networks, and Payment Card Industry (PCI) Data Security Standards. (c) Sales Draft shall contain the masked (*e.g.* last 4 digits) Card number (recorded from the card's magnetic stripe or chip, imprinted, or as entered electronically by cardholder); authorization and reference numbers; customer signature (physical or electronic); the card's expiration date; date of sale; amount of sale, including tax; and a description of goods/services. Merchant must keep copies of Sales Drafts for three (3) years. Merchant will obtain a prior Authorization for all Purchases. If Authorization is denied, Merchant shall not complete the Transaction; (b) Merchant will not obtain or attempt to obtain Authorization for any amount not authorized by Cardholder; (c) Merchant acknowledges that an Authorization provides only that the Cardholder account has sufficient credit available to cover the amount of the current sale, that an Authorization is not a guarantee of payment, and that an Authorization will not waive any provision of this Agreement or otherwise validate a fraudulent Transaction or a Transaction involving the use of an expired Card. Receiving an Authorization shall not relieve the Merchant of liability for Chargebacks; (d) Merchant will not attempt to obtain Authorization on an expired Card.

You agree to accept all valid credit and debit card types and brands properly presented by a payor or cardholder for payment for goods or services without discrimination. When accepting a credit or debit card, you agree to: (a) determine whether the card is valid; (b) obtain an electronic approval or authorization before completing a sale, or obtain an imprint of the card (including cardholder's signature) unless a receipt is electronically generated from a swiped transaction or is the result of a web, phone, mail, or preauthorized order; (c) have reasonable practices in place to verify the cardholder's or payor's identity; (d) deliver a copy of the customer receipt to the cardholder or payor at the time of delivery of the goods or performance of the services or point of sale; and (e) be able to reproduce without alteration a legible receipt containing the cardholder's name, account number, expiration date, and your business name and location. You may establish a minimum transaction amount for accepting credit card transactions so long as such amount does not exceed U.S. \$10.00, or other amount established by law, and such minimum transaction size requirement does not discriminate between card networks. You may not require a minimum transaction amount for debit card transactions. You may offer discounts or in-kind incentives for payment by the use of cash, checks, debit cards, or credit cards, provided that the terms of the discount or in-kind incentives do not differentiate on the basis of the issuer of the card or payment network. You shall not accept a card as payment (other than for a mail order, telephone order, or preauthorized sale to the extent permitted under this Agreement) if the cardholder seeking to use the card does not present the card to permit you to examine it and obtain an imprint or otherwise use the physical card to complete the transaction.

4. Verification; Credit Checks. You agree and authorize us (directly or through third parties) to make any inquiries we consider necessary to verify your identity and account information, or to determine your current and ongoing creditworthiness, financial status, and/or ability to perform the obligations hereunder. This may include asking you to confirm your email address, mobile/phone numbers, or bank accounts, or by verifying your information against third-party databases (including by obtaining your individual and business credit report, personal profile, or other information from one or more third-party databases). Additionally, you agree that your bank and the consumer reporting agencies may release any and all individual and business credit and

financial information to us. You further authorize us to disclose any information obtained from any source (including credit reports) to any governmental, administrative, or regulatory entity, our respective vendors and affiliates for fraud or verification purposes, any third party to the extent such parties provide Services to you or us, or to comply with applicable law or investigation, including, without limitation, the USA PATRIOT Act. You acknowledge and agree that we may request that you provide additional information at any time, including but not limited to: a copy of a government-issued ID (such as a passport or driver's license); your business license; taxpayer ID number; financial or bank statements; utility bills; or your personal or business tax returns. You consent to us updating your account information from time to time based on information provided by you, your bank, other payments services providers, or other reliable data sources used to evaluate the current status of the business and/or its owners.

5. Compliance with law and the Rules. a) Merchant confirms that it is, and shall be, in full compliance during the term of this Agreement and with the Rules. Merchant shall be solely responsible for conforming its policies and procedures to the Rules and this Agreement. Merchant agrees to consult legal counsel regarding such compliance. If any federal, state or local government entity, including without limitation the Federal Trade Commission, files a complaint or launches a formal investigation involving Merchant related to any activities of Merchant under this Agreement, Merchant shall be responsible to PayGears for any fines, fees and overhead and legal fees (including time spent by in-house counsel) required for PayGears to complete their responsibilities and/or protect their respective interests under the proceedings at issue; (b) Merchant will not, under any circumstances, sell, transfer, or disclose any Cardholder's account number or any information relating to any Cardholder's account number or any Transactions or Credit Vouchers which may have been imprinted with any Card ("Sensitive Data") to any person other than PayGears, Bank and their regulators, Merchant's service providers; Merchant's regulators, subcontractors, and agents who have a need to know such information to provide the services described in this Agreement; or as required by law. In the event of bankruptcy, insolvency, or other permanent suspension of business operations of Merchant or Service Providers, such Party will either: (i) return all Sensitive Data to the other Parties; or (ii) provide acceptable proof of destruction of all Sensitive Data to the other Parties. (c) Merchant hereby represents, warrants, and covenants that it is and will remain throughout the term of this Agreement in compliance with the Payment Card Industry ("PCI") Data Security Standard ("DSS"), the Cardholder Information Security Program ("CISP") instituted by Visa, the Discover Information Security Compliance (DISC), and the Site Data Protection Program ("SDP") instituted by MasterCard, in effect and as may be amended, supplemented, or replaced. Merchant will cause all of its service providers, subcontractors, and agents that accept, store, process, or transmit Cardholder data on behalf of Merchant to comply with the Rules, PCI, CISP, DISC, and SDP requirements at all times. Merchant will not require a Cardholder to complete a postcard or similar document that includes the Cardholder's account number, Card expiration date, signature, or any other Cardholder account data in plain view when mailed. Merchant will report any non-compliance immediately to Service Providers. Merchant shall notify and obtain written approval from Service Providers of its use of any third-party service providers, subcontractors, and/or agents that will have access to Cardholder Data. Merchant and Service Providers hereby agrees to pay any fines and penalties that may be assessed by the Card Networks as a result of the other Party's noncompliance with the requirements of the Rules, PCI, CISP, DISC, and SDP any data breaches, or by its failure to accurately validate its compliance with those requirements. If Merchant suspects or experiences a data breach that exposes or potentially exposes any Sensitive Data then it will notify PayGears in writing within twenty-four hours on learning of or suspecting such breach. If Merchant experiences a data breach that exposes (or creates significant risk of exposing) any Sensitive Data, it shall be responsible to PayGears and Bank for any fines, fees and overhead and legal fees (including time spent by in-house counsel) required for PayGears and Bank to complete their responsibilities and protect their respective interests relative to the breach, including without limitation the cost of notifying affected Cardholder(s), press outlets and appropriate regulators. Merchant will provide an annual certification if requested by PayGears (in a form acceptable to the same) certifying compliance with the data security provisions of this Agreement; (d) Merchant acknowledges and understands that Merchant may be prohibited from participating in Card Network programs if it is determined that Merchant is non-compliant. Merchant shall not use the Services for illegal purposes. Merchant is solely responsible for obtaining all required permits and monitoring legal developments applicable to the Services and the operation of its business, interpreting applicable laws and regulations, determining the requirements for compliance with all applicable laws and regulations, and maintaining an on-going compliance program. NOTWITHSTANDING THE CAPABILITY OF CERTAIN SERVICES TO COLLECT AND STORE CUSTOMER INFORMATION AND TO ALLOW YOUR CUSTOMERS TO ELECT TO RECEIVE MARKETING MATERIALS FROM YOU, SOME STATES MAY LIMIT YOUR USE OF SUCH INFORMATION ONCE COLLECTED, EVEN IF THE CUSTOMER HAS PROVIDED HIS CONSENT, AND/OR YOUR DISCLOSURE OF SUCH INFORMATION TO THIRD PARTIES. YOU ACKNOWLEDGE AND AGREE THAT (a) YOUR USE OF ANY CUSTOMER INFORMATION OBTAINED IN CONNECTION WITH THE SERVICES MAY BE SUBJECT TO LOCAL, STATE, AND/OR FEDERAL LAWS, RULES, AND REGULATIONS, (b) YOU ARE SOLELY RESPONSIBLE FOR KNOWING SUCH LAWS, RULES, AND REGULATIONS, AND (c) YOU WILL AT ALL TIMES STRICTLY COMPLY WITH ALL SUCH LAWS, RULES, AND REGULATIONS. By using the Services, Merchant represents and warrants that: (a) you are not located in a country that is subject to a U.S. governmental embargo, or that has been designated by the U.S. government as a "terrorist supporting" country; and (b) you are not listed on any U.S. government list of prohibited or restricted parties. You further agree to use Services in a manner that is consistent with the Payment Card Industry Data Security Standards ("PCI DSS") and Payment Application Data Security Standard ("PADSS"); and the National Automated Clearing House Association ("NACHA"), which applies to transactions processed using Automatic Clearing House ("ACH") (collectively, "Rules"). You also agree not to request an ACH or card transaction that violates the laws of the United States, which include, but are not limited to, sanctions enforced by the Office of Foreign Assets Control ("OFAC").

6. Your Representations and Warranties. By submitting a Transaction to us, you represent and warrant that the transaction:

- a) is genuine and arises from a genuine sale or service that you directly sold or provided as described on your Application;
- b) represents the correct amount of the goods or services purchased by the Cardholder from your business as identified on your Application;
- c) is not subject to any dispute, set-off or counterclaim;
- d) to your knowledge is not the result of fraud and has been authorized by the Cardholder;
- e) does not violate the law of any applicable jurisdiction, including the jurisdiction where you are located, where the Cardholder is located, or where we are located;
- f) except for any delayed delivery or advance deposit Card transactions expressly authorized under this Agreement, included your simultaneous delivery of the goods or services to the Cardholder; and
- g) complies with this Agreement and the Rules.

You further represent and warrant, as of the date of this Agreement and at the time of submission of each transaction, that:

- a) you are validly existing, in good standing and free to enter into this Agreement;
- b) you have not changed the nature of your business or practices in a way not previously disclosed to us;
- c) each statement made on the Application or other information provided to us in support of this Agreement is true, accurate and complete and you have maintained and updated this information to keep it true, accurate, current and complete;
- d) you have not filed a bankruptcy petition not previously disclosed to us;
- e) you will not process any credit transactions that do not correspond to a previous transaction on the original sales draft; and
- f) you will not at any time during the term of this Agreement or until all amounts have been paid in full under this Agreement, grant or pledge any security interest or lien of any type in any Reserve Account, Settlement Account or in any of the transaction proceeds to any Person without our consent.

7. Fees. All fees are in U.S. dollars and subject to change; where you may become subject to any increase in rates or fees, we will provide thirty (30) days advance notice. We may provide you notice by posting updated pricing or terms on our website or sending you email communication. Price changes are effective on the date indicated on our notice or posted terms. By continuing to access and use the Services after we have provided you any price changes, you are agreeing to such changes. All fees due in connection with the Service are non-refundable, whether such fees are set-up fees, transaction fees, or other fees. You agree to immediately pay us all fees set forth in your Merchant Application. You agree that you will also be responsible for any Chargebacks and any fees, charges, liabilities fines, obligations or penalties assessed to us or to you by any card or payment network (1) in connection with your acceptance of its payment types, (2) in connection with the transactions processed under your MID, (3) as a result of your acts or omissions, or (4) as a result of the acts or omissions of others that act on your behalf or that provide services to you. Such charges by any card or payment network include but are not limited to: interchange; assessments (including but not limited to dues, issuer reimbursements, fines, penalties, and fraud recovery losses); fees established by the card or payment networks (including but not limited to access fees, switch fees, and file fees); adjustments; and Chargebacks. You agree that we may collect fees and other amounts owed under this Agreement by different means, including but not limited to: netting against the proceeds of your processing activity; debiting your Bank Account, Reserve Account, or any other account you may have at any financial institution; or exercising any other legal rights and remedies we may have under law or equity. You agree that we may collect reasonable fees (including attorney's fees) arising out of, or related to, our efforts to collect fees or other amounts from you. If you wish to dispute payment to, or collection by PayGears of any fee, you must provide written notice of such dispute within forty-five (45) days after you received a statement containing the fee, as described in Section 15 below, or you waive such rights.

8. Monthly Volume, Average Ticker and High Ticket. Merchant represents that the estimated monthly volume of Transactions ("Monthly Volume") and the estimated average Transaction dollar amount ("Average Ticket Amount") appearing on the Merchant Application are each good faith estimates and that there is a reasonable basis for each such estimate. Merchant acknowledges that any actual, material Monthly Volume or any actual, material Average Ticket Amount in excess of such estimates will cause PayGears to review Merchant's file and may result in the delay of transmission of funds and interruption of service. PayGear may withhold the payment of any amounts otherwise payable hereunder if the actual Monthly Volume and/or Average

Ticket Amount materially exceed such estimates. PayGears may impose a cap on the dollar amount of Transactions that it will process for Merchant. This limit may be changed by (a) PayGears from time to time, upon notice to Merchant; or, (b) at request by Merchant with approval by PayGears. If approved, then notice will be provided promptly by PayGears to Merchant. Such notice may be given orally or in writing.

9. Settlement of Transactions. Bank will accept all valid transactions processed by you under this Agreement and shall present the same to the appropriate financial institution for collection against your customer's account. Settlement of all transactions is subject to this Agreement and applicable Rules. Bank and/or PayGears may provisionally credit to you the value of a processed transaction but reserves the right to adjust amounts credited to you to reflect the value of Chargebacks, fees, penalties, Issuer claims, and items for which PayGears did not receive final payment for any reason. We may refuse to accept any transaction or revoke our prior acceptance or settlement of a transaction in the following circumstances: (a) the transaction resulting in a receipt that was not made in compliance with all the terms and conditions of this Agreement; (b) a customer or payor disputes their liability for any reason, including but not limited to those Chargeback rights provided in the applicable Rules; (c) a transaction resulting in a receipt that was not directly between you and a cardholder or payor; or (d) a transaction that is outside the parameters indicated on the Merchant Application. You agree to pay for any amount previously credited to you and not accepted or later revoked by PayGears. PayGears will not be liable for any claims or damages arising from your use of any third parties, including service providers who submit your transactions to us on your behalf. You acknowledge that if you authorize PayGears to share your information with a third party, you will be subject to the third party's terms and conditions and privacy policy, and PayGears will not be able to control their use of your data. Additionally, the third party's operations, service performance, or restrictions may impact the Services. You acknowledge that PayGears is not responsible for acts of any third party, including any delays, security breaches, or any failure to settle transactions with you due to reasons not within our control, such as inaccurate information or fraud.

10. Bank Account. You will need to establish and maintain an account ("Bank Account") at a U.S. depository financial institution to facilitate payment of fees to PayGears and the transfer of amounts due to you from your Merchant Account. You irrevocably authorize PayGears and our sponsor banks to immediately debit your Bank Account for any and all fraudulent transactions, any negative balance in your Merchant Account, for current and past due fees, payment equipment rentals/purchases, fines, penalties, or any amounts you owe us under this Agreement. You agree that PayGears shall not incur any liability for any loss, costs, or fees incurred by you that are the result of such debits by us. We may take reasonable steps to verify your Bank Account information, for example, by requiring you to provide us a cancelled check or by debiting and crediting micro-deposits into your Bank Account, including on a recurring basis. You are responsible for providing us with accurate information regarding your Bank Account. If you change the Bank Account in which you receive the proceeds of your transactions, you must notify us immediately. If you accept payment types other than Visa, MasterCard, American Express and Discover Network, you are also responsible for contacting the card organizations or companies governing those Cards to notify them of this change. We shall not be liable for delays in receipt of funds or errors in debit and credit entries caused by you or any other person, including any delays or errors resulting from errors in Bank Account information you provide. If a default occurs you agree we may without notice change processing or payment terms and/or suspend credits or other payments of any amounts due or which become due to you. Your right to receive any amounts due or to become due from us is expressly subject and subordinate to Chargeback, setoff, lien, security interest and our rights to withhold settlement funds under this Agreement without regard to whether such Chargeback, setoff, lien, security interest and the withholding of settlement fund rights are being applied to claims that are liquidated, uninsured, fixed, contingent, matured or unmatured

11. Your Merchant Account. Following approval of your Merchant Application, we will open a merchant service account with our sponsor bank ("Merchant Account") to use the Services. The proceeds from your card and other payment transactions processed using the Services ("Settlement Funds") will be recorded in your Merchant Account and we will transfer funds to your Bank Account. Settlement Funds do not constitute a deposit you have with us, will bear no interest, and are not eligible for insurance with the Federal Deposit Insurance Corporation ("FDIC"). As permitted by law, we may consolidate any or all funds payable to you and offset any outstanding/uncollected amounts owed by you to us (pursuant to this Agreement or any other agreement between you and PayGears) from any funds we are obligated to deposit into your Bank Account. Any funds in your Merchant Account that we are unable to clear and/or settle to you for any reason, including your abandonment of your account or your failure to remedy any deficiencies in the information we are required to collect for anti-money laundering purposes, for (a) the applicable time period as mandated or allowed by applicable law, or (b) twenty-four (24) months, whichever is less, may be remitted to your state of residency or otherwise in accordance with applicable unclaimed property laws. We may also unwind transactions or direct funds to specially designated accounts pursuant to anti-money laundering, sanctions or other compliance requirements. At our sole discretion, we may suspend your access to the Services in the event your Merchant Account has been inactive for six (6) months.

12. PayGears Security Interest. This Agreement will constitute a security agreement under the Tennessee Commercial Code (and, to the extent applicable, the Commercial Code or laws of any other jurisdiction). If you owe a debt to us, either now or in the future, you grant a security interest in all of your various accounts (standing in the name of Merchant alone or in a joint account, including any affiliated companies of Merchant, whether established or maintained pursuant to this Agreement or not) to us to secure any such debt. You agree that we may use funds in any of your accounts to pay all or part of any debt you owe to us. You irrevocably consent to PayGears using any means available to locate any such accounts until such time all amounts due have been paid. You grant to us a security interest in and lien upon: (a) all funds representing amounts owing to you at any time under this Agreement

or any other agreement between us from your Merchant Account, regardless of the source of such funds; (b) all funds at any time in the Reserve Account, regardless of the source of such funds; (c) present and future card or other payment transactions; (d) all funds at any time in your Bank Account, regardless of the source of such funds; and (e) any amounts that may be due to you, or that may become due to you, under this Agreement or any other agreement between us, including, without limitation all rights to receive any payments or credits under this Agreement (collectively (a) – (e), the "Secured Assets"). Upon our request, you agree to provide additional security interests and liens to us to secure your obligations under this Agreement. These security interests and liens will secure all of your obligations under this Agreement and any other agreements now existing or later entered into between you and us, including but not limited to, your obligation to pay any amounts due and owing to us. We may exercise and enforce these security interests and liens without notice or demand of any kind to you, including but not limited to, by making immediate withdrawals from, or freezing of, your Secured Assets. Upon our request, you agree to execute one or more financing statements or other documents to evidence our security interests and liens, and agree that we may file or record any such financing statements or related documents. You represent and warrant that no other person or entity has any security interest in any of the Secured Assets. With respect to our security interests and liens, we will have all rights afforded under the Tennessee Commercial Code and, to the extent applicable, the Commercial Code or laws of any other jurisdiction, or in equity. You must obtain written consent from us prior to granting a security interest of any kind in any of the Secured Assets to any third party. You authorize and appoint us as your attorney-in-fact to sign your name to any financing statements used in connection with any security interests and liens granted hereunder.

13. Reserve Account. Upon our request and for the purpose of providing a source of funds to pay us for amounts you owe, you agree that we may place in an account maintained and solely controlled by us, initially or at any time in the future, sums sufficient to satisfy your current and/or future obligations ("Reserve Account"). Company shall deposit an amount as defined on your Fee Schedule. You agree that we shall have the right to hold funds in such Reserve Account as long as we deem necessary. We may, at any time, require that the amount on deposit in the Reserve Account be increased, and we shall have sole discretion as to the amount needed in the Reserve Account. Your obligation to maintain a Reserve Account shall survive termination of this Agreement for a minimum period of two hundred and seventy (270) days or longer after the termination date or after the date of your last transaction, depending on your product and business practices. After such time, any balance that remains in the Reserve Account will be returned to you unless the funds are subject to an investigation related to potential fraudulent transactions, or if such funds are subject to Commercial Code lien demands, tax levies, enforcement of judgment proceedings, restraining notices, or other legal process or demands made or known to us. The Reserve Account will not bear interest. PayGears shall have the right to debit funds in the Merchant Account, Bank Account, or any other deposit account maintained by you to establish, increase, or maintain funds in the Reserve Account. We may deposit into the Reserve Account funds we otherwise would be obligated to pay you, for the purpose of establishing, increasing, or maintaining the Reserve Account in accordance with this Section 13, if we determine such action is reasonably necessary to protect our interests. You understand and agree that if you are required to establish a Reserve Account, you have an obligation under this Agreement to maintain at all times a balance in the Reserve Account sufficient to protect us against any actual or potential losses resulting from any payment transactions initiated by you, from any claims asserted against you, your Merchant Account, or your Reserve Account, and from any claims asserted against us based on your conduct related to this Agreement. We may, without notice to you, apply funds deposited in your Reserve Account against any outstanding amounts you owe to us under this Agreement or under any other agreement between you and us. Also, we may debit your Reserve Account to exercise our rights under this Agreement to collect any amounts due to us, including without limitation, rights of recoupment and set-off.

14. PayGears Right of Recoupment and Set-off. PayGears shall have the right of recoupment and set-off under this Agreement as provided under Tennessee Code 47-9-340. This means that we may offset any outstanding or uncollected amounts owed to us from: (a) any amounts owed to you that we otherwise would be obligated to deposit into your Merchant Account; (b) any other amounts we may owe you under this Agreement or any other agreement; (c) the Bank Account which you may have associated with your Merchant Account; and (d) the Reserve Account. You acknowledge that in the event of a bankruptcy proceeding, in order for you and/or your bankruptcy estate to provide adequate protection under Bankruptcy Code Sections 362, 363, and 364, or otherwise to us, you must create, maintain, or increase the amounts in a Reserve Account as required by us, and we will have the right to offset and recoup against the Reserve Account for any and all obligations which you may owe to us, without regard to whether the obligations relate to payment transactions initiated or created before or after the filing of the bankruptcy petition, to the fullest extent permitted by law.

15. Advertising. (a) Merchant is prohibited from using the Program Marks, as defined below, other than as expressly authorized in the Rules or as approved in writing by Service Providers. Program Marks mean the brands, emblems, trademarks, servicemarks, trade dress and/or logos that identify Cards, Card Associations and Service Providers. Merchant shall not use the Program Marks in such a way that customers could believe that the products or services offered by Merchant are sponsored, endorsed or guaranteed by the owners of the Program Marks; (b) Merchant shall immediately cease use and return or securely destroy any materials containing or displaying Program Marks to Service Providers upon any termination of the Agreement; (c) Merchant shall be fully liable to Service Providers for any and all losses, costs, and expenses suffered or incurred by Service Providers arising out of Merchant's failure to comply with this section. You may use promotional materials and Program Marks during the term of this Agreement but shall immediately cease their use and return any inventory to us upon termination of this Agreement. Your use of VISA, MasterCard, American Express, Discover, Diner's, PayPal, Apple Pay, and debit card network Marks will fully comply with their applicable Rules

16. Chargebacks. Contemporaneously with each Cardholder Purchase, a contingent and un-matured claim for Chargeback accrues against Merchant in favor of Service Providers to the extent Service Providers are required, or exercise their right, to pay to the Card Networks with respect to any fees, discounts, customer credits and adjustments, charges, fines, assessments, penalties or other items, which may in turn be charged back to Merchant by Service Providers. Merchant agrees that it is fully liable to Service Providers for all Chargebacks, and that Service Providers are authorized to offset from incoming transactions and to debit via transfer or ACH the Service Providers Account, the Reserve Account, or any other account held by Merchant at Bank in the amount of any Chargeback. If Merchant is identified in a Card Network chargeback program or is receiving excessive Chargebacks (as determined by reference to applicable Rules or Service Providers policy and as set forth in Section 17, below), then (i) Merchant shall be responsible to Service Providers for any fines and related third-party fees, along with any overhead required for Service Providers to complete its responsibilities relative to the identification; (ii) at Service Providers' sole discretion, Services can be immediately suspended until Merchant obtains Service Providers' approval of and implements a Chargeback remediation plan; and, (iii) if in any calendar month within the six months immediately following resumption of Services (after implementing approved remediation plan) and Merchant receives excessive Chargebacks then Service Providers can immediately terminate this Agreement. Merchant agrees to accept any Chargeback where the Cardholder disputes the validity of the Transaction according to the Rules. Merchant is liable for any Transaction that Service Providers reasonably determines that Merchant has failed to comply with the Rules, Service Providers' procedures, this Agreement, or that Service Providers determine that the Transaction record is fraudulent or that the Transaction is not bona fide or is subject to any claim of illegality, cancellation, rescission, avoidance or offset for any reason whatsoever, including without limitation negligence, fraud or dishonesty on the part of Merchant or Merchant's agents or employees. You authorize us to offset from incoming transactions and to debit your Merchant Account, Bank Account, and/or the Reserve Account to recover any Chargebacks plus any applicable Chargeback fees imposed by us or a third party, including VISA and MasterCard chargeback arbitration fees. You agree to fully cooperate with us in complying with the Rules regarding Chargebacks, including any request for documentation. We may suspend the Services and stop releasing funds until you reimburse us for all unpaid Chargebacks. You must not re-enter or reprocess any payment transaction that has been charged back.

17. Excessive Chargebacks. Excessive Chargebacks are a breach of this Agreement and cause for immediate termination of the Services, as well as additional excess Chargeback fees that might be imposed by our sponsor banks and card or payment network. "Excessive Chargebacks" means chargebacks during any monthly period and for any one of your terminal identification numbers or merchant identification numbers, including: (a) Chargebacks and/or retrieval requests in excess of 1% of the average monthly dollar amount of transactions; (b) ACH unauthorized returns in excess of 0.5% or returns in excess of 3% of the average monthly dollar amount of transactions; or (c) processing an average transaction above the processing limits or amount approved by us. You authorize us, upon the occurrence of Excessive Chargebacks, to take additional actions we may deem necessary, including, but not limited to, suspension of Services or creation or maintenance of a Reserve Account in accordance with this Agreement.

18. Unusual Activity; Holds; Risk Reviews. If we believe there is unusual activity on your Merchant Account, we may, in our sole discretion, temporarily suspend your access to Services, move your Settlement Funds into a Reserve Account, place holds on your Settlement Funds that delay or suspend disbursement, and/or terminate Services. Unusual activity includes, but is not limited to: (a) changes in your average transaction amount or processing pattern; (b) monthly percentage of different transaction types; or (c) Excessive Chargebacks. We may, in our sole discretion, place holds on your transactions or Merchant Account to otherwise protect against potential risk or fraud.

19. Intellectual Property. Service Providers will own and retain all right, title, and interest in and to their offerings. Merchant agrees not to use Service Providers' offerings in any way that violates this Agreement. Service Providers do not grant to Merchant any license, express or implied, to the intellectual property rights of Service Providers or their respective licensors. Merchant will own and retain all right, title, and interest in and to its offerings. Merchant does not grant to Service Providers any license, express or implied, to the intellectual property rights of Merchant and or its licensors. Each Party shall retain all right, title and interest in and to each Party's respective Data, provided, however, that each Party hereby grants to the other a worldwide, royalty-free, non-exclusive license to use that Party's Data for the purposes of fulfilling its obligations and exercising its rights hereunder and for no other purpose. To be clear, each Party may otherwise lawfully use Data in an aggregated and anonymized form, and neither Party will have any interest in such aggregated and anonymized information of the other Party. Neither Party will include or make use of any unencrypted personally identifiable information in the Data without the prior written approval of the other Party. Each Party hereby authorizes the other to use the Program Marks on their respective websites and within their respective offerings as reasonably necessary to fulfill their obligations under this Agreement and Rules, subject to then applicable trademark usage guidelines and prior written approval. All usage inures to the benefit of the owner(s) of such names and marks. It is the express intent of the Parties that no jointly owned intellectual property be created under this Agreement. Nothing in this Agreement precludes a Party from engaging directly or through third parties in any business or using any technology similar to the other Party's business or technology, provided that no use is made of the other Party's Confidential Information. Each Party shall retain all right, title and interest in and to its respective patents, copyrights, trade secrets and other forms of intellectual property. Neither Party shall apply for, prosecute or attempt to enforce any such intellectual property rights anywhere in the world without the express written consent of the Party owning such rights.

20. Prohibited Processing Practices. The following payment processing practices are prohibited under this Agreement:

You may not split transactions on multiple cards or other payment transactions except where: (a) partial payment is entered on a transaction record and the balance of the transaction amount is paid in cash or by check at the time of transaction; or (b) the amount represents a prepayment in a card transaction completed in accordance with Section 23 of this Agreement and any applicable Rules.

You may not separate goods and services purchased in a single transaction at one time on different transactions or payment receipts, except: (a) for purchases in separate departments of a multiple department store; (b) for installment payments; or (c) for delayed or amended charges governed by Rules for travel and entertainment merchants and transactions.

You may not use the Services to accept amounts representing the refinancing of an existing uncollectible obligation, debt, or dishonored check of a customer.

You may not present for processing or credit, directly or indirectly, any transaction not originated as a result of a payment transaction directly between you and a payor.

You may not present for processing or credit any transaction you know, or should know, to be fraudulent or not authorized by a cardholder, payor, or customer.

You may not receive any cash payments from a customer for charges included in any card processing transaction resulting from the use of a credit or debit card.

You may not receive any payment from a payor or customer to prepare and present a transaction for the purpose of affecting a deposit to that customer or payor's account.

You may not deposit any transaction for the purpose of obtaining or providing a cash advance either on a card or other payment instrument owned by you or any other party. You agree that any such deposit or any use of the Services to process your own cards shall result in immediate termination of this Agreement.

You may not deposit duplicate transactions and will be solely responsible for the full amount of any duplicate transactions.

You may not accept or deposit any fraudulent transaction and may not present for processing or credit, directly or indirectly, a transaction which originated with any other merchant or any other source. If you deposit any such transactions we may hold funds and/or demand a Reserve Account.

You may not disburse funds in the form of traveler's checks, if the purpose is to allow the payor or customer to make a cash purchase of goods or services rendered back to the issuer.

You may not add any tax or surcharge to transactions, unless applicable law expressly allows or requires you to impose such tax or surcharge. If any tax or surcharge amount is allowed, such amount must be included in the transaction amount and shall not be collected separately and in the case of surcharges, must be in accordance with the Rules,

21. Recurring Payments. For any recurring transactions, you must obtain a request either written or in another form, from a customer for such goods and services to be charged to the customer's account, and such request must specify the transaction amounts to be charged to the cardholder's account, the frequency of the recurring charge, and the duration of time during which such charges may be made. You agree to obtain sufficient authorization from your customers under the applicable rules of any card or payment network, including NACHA Rules, before storing their payment instrument or account details. You agree not to complete any recurring transaction after receiving a cancellation notice from the cardholder, or in response to an electronic authorization request, which indicates that the card will not be honored. You agree to include "Recurring Transaction" on the signature line of the receipt. You agree to provide a copy of the written request to a cardholder's issuing bank upon request and must retain a copy of written request for one (1) year after the agreement between you and the payor is terminated. For multi-year agreements, you shall renew written request with the cardholder annually during the 12th month of the current agreement.

22. Prepayments. You agree that a transaction shall be presented to us for processing prior to delivery of goods or services, only where, at the time of the transaction, the cardholder agrees. Where customized, special order customers must agree to a properly disclosed delayed delivery terms for the goods or services. You agree that when authorization for delayed presentment is provided, the word "Prepayment" or something substantially similar must be disclosed to the cardholder. Additionally, you agree to provide and obtain consent to all of the following in writing at the time of the first, or only, partial prepayment, or at the time of full prepayment: Description of promised merchandise or services; Terms of service; Timing of delivery to

Cardholder; Transaction amount; Full cancellation and refund policy including date and time that any cancellation privileges expire (partial) or refund (full prepayment) without prepayment forfeiture; Total purchase price; and Any other charges (e.g., taxes).

23. **Modifications to Agreement.** This Agreement is subject to amendment to conform to the Rules. Service Providers may amend any provision of this Agreement as reasonably necessary to conform to any changes in the Rules, Service Providers regulatory requirements, or applicable law by providing written notice to Merchant of the amendment at least 30 days before the effective date of the amendment. Merchant may terminate this Agreement upon receiving notice but otherwise consents to such amendments after 30 days' notice. Amendments due to changes to the Rules or any law or judicial decision may become effective on such shorter period of time as Service Providers may specify if necessary to comply with the applicable Rule, law, or decision.

24. **Confidentiality.** You shall safeguard all confidential information we supply or otherwise make accessible to you (including the terms of this Agreement) using a reasonable degree of care. You shall only use our confidential information for the purposes of this Agreement and shall not disclose our confidential information to any person, except as we may agree in advance and in writing. At our request you shall return to us or destroy all of our confidential information in your possession or control. You agree that breach of the restrictions on use or disclosure of our confidential information would result in immediate and irreparable harm to us, and money damages would be inadequate to compensate for that harm. We shall be entitled to equitable relief, in addition to all other available remedies, to redress any breach. You may submit comments or ideas about our Services, including about how to improve our Services. By submitting any idea, you agree that: (a) we expressly disclaim any confidentiality obligations or use restrictions, express or implied, with respect to any idea; (b) your submission will be non-confidential; and (c) we are free to use and disclose any idea on an unrestricted basis without notifying or compensating you. You release us from all liability and obligations that may arise from our receipt, review, use or disclosure of any portion of any idea.

25. **PCI Compliance.** The Payment Card Industry Data Security Standards ("PCI DSS") sets forth the requirements for all entities that store, process, or transmit payment card data. You must ensure you have data security policies and processes in place to protect cardholder and payor payment and personal data in compliance with PCI DSS and NACHA security requirements. You must keep all systems and media containing account, customer, or transaction information (physical or electronic, including but not limited to account numbers and card imprints) in a secure manner to prevent access by or disclosure to anyone other than your authorized personnel. You must destroy in a manner that will render the data unreadable all such media that you no longer deem necessary or appropriate to store (except for receipts maintained in accordance with this Agreement, laws, Rules, and policies). Further, you must take all steps reasonably necessary to ensure cardholder or payor payment information is not disclosed or otherwise misused. You may not require a cardholder to complete a postcard or similar document that includes the cardholder's account number, card expiration date, signature, or any other cardholder account data in plain view when mailed. You may not retain or store magnetic stripe or CVV2, CVC2, or CID data after authorization. You agree that in the event of a breach, unauthorized access or compromise of payor or cardholder data, you will immediately notify us and provide us with detailed information relating to the breach or compromise. You may not request or use a cardholder or payor account number for any purpose other than as payment for its good or services rendered. You may not require cardholders to provide any personal information as a condition of honoring a card unless such information is required for delivery of the goods or services, or you have reason to believe that the person presenting a card may not be the actual cardholder. You agree that any service providers you may use for accessing, storing, transmitting, and processing cardholder data on behalf of PayGears, or any service provider you may use that controls or could impact the security of cardholder data, must be registered as authorized agents and PayGears must be notified of them. Furthermore, all agents must acknowledge compliance with PCI DSS.

26. **Your Insolvency; Bankruptcy.** You must immediately notify us of your insolvency or of any bankruptcy, receivership, assignment for the benefit of creditors, or similar action or proceeding initiated by or against you, whether or not such action or proceeding is under court supervision. Unless prohibited by applicable law, we have the right to terminate this Agreement upon the commencement of any such of these actions or proceedings, or upon your insolvency. You will include us on the list and matrix of creditors as filed with the Bankruptcy Court or as filed or submitted in any other insolvency-related action or proceeding, whether or not a claim by us may exist at the time of filing or commencement of such proceeding; failure to do so will also be cause for immediate termination of this Agreement or for any other action available to us under this Agreement, under applicable Rules, or under applicable law. You acknowledge that this Agreement constitutes an executory contract to make a loan, or extend other debt financing or financial accommodations to or for the benefit of you, and, as such, cannot be assumed or assigned in the event of your bankruptcy or any other insolvency-related proceeding or otherwise, without our expressed written consent.

27. **Term and Termination.** (a) This Agreement shall become effective upon Service Providers notice to you that your Merchant Account has been approved ("Effective Date"). The initial term of this Agreement shall be for three (3) years beginning on the Effective Date ("Initial Term") and will automatically renew for subsequent one-year terms ("Renewal Term") unless Merchant provides written notice to Service Providers of its decision not to renew at least 90 days before the expiration of the then-current term (the Initial Term or the current Renewal Term) ("Renewal Date"). (b) This Agreement may be terminated: (i) by Service Providers with 30 days prior notice with or without cause; (ii) by Merchant with 90 days prior notice with or without cause, subject to payment of the Alternative to Performance Fee as set forth herein; (v) immediately by Service Providers upon written notice

if any of the following occur: (A) Merchant has violated or breached any material provision of this Agreement, (B) Merchant has experienced a material adverse change in its financial condition, (C) Merchant or any of Merchant's officers or employees has been involved in fraudulent Transactions, (D) Service Providers are served with legal process seeking to attach or garnish any of Merchant's funds or property in Service Providers' possession, and Merchant does not satisfy or appeal the legal process within 15 days of such service, (E) any Rule(s) are amended in any way so that the continued existence of this Agreement would cause Service Providers to be in breach of those Rules, or (F) the continuation of the Agreement will cause harm or loss of goodwill to any Card Network, any Card Network or regulatory agency requires Service Providers to terminate this Agreement, or any Card Network is no longer willing to accept Transactions from Merchant. Merchant's and Service Providers' rights of termination provided throughout this Agreement are cumulative. A specific right of termination enumerated in this Agreement shall not limit any other right of Merchant, and Service Providers to terminate this Agreement expressed elsewhere in the Agreement. (c) Merchant agrees to notify Service Providers immediately of any bankruptcy, receivership, insolvency, a material adverse change in Merchant's financial condition or similar action initiated by or against Merchant. Service Providers may immediately terminate this Agreement upon written notice if Merchant (i) has made any untrue material representations herein or in documents provided under this Agreement, including the Merchant Application; or (ii) becomes insolvent, is placed in receivership, makes an assignment for the benefit of creditors, admits in writing its inability to pay its debts or seeks relief or has a petition filed against it under any provision of the Federal Bankruptcy Code. (d) In the event Merchant terminates this Agreement prior to the end of the Initial Term or any Renewal Term under this Section 27 or Service Providers terminate this Agreement prior to the end of the Initial Term of any Renewal Term on grounds of a breach of this Agreement by Merchant, Merchant shall pay to Service Providers upon demand an amount equal to the greater of (A) the average monthly processing fees charged to Merchant during the immediately preceding twelve (12) months (or the number of months since the Effective Date if 12 months have not passed since the Effective Date) multiplied by the number of months remaining on the then current Initial Term of Renewal Term, or (B) \$2,500 ("Alternative to Performance Fee"). Merchant and Service Providers agree that payment by Merchant of the Alternative to Performance Fee hereunder is not a penalty, but rather is agreed by the parties to be an alternative to performance of the remainder of the Initial Term or Renewal Term and to reasonably compensate Service Providers for their early termination expenses and all other damages they may incur due to Merchant's early termination of the Agreement. Such Alternative to Performance Fee shall not be in lieu of, but in addition to, any payment obligations for services already provided hereunder.

28. Effect of Termination. (a) In the event of termination for any reason, Merchant expressly authorizes Service Providers to withhold and discontinue the disbursement of funds for all Cards and other payment Transactions of Merchant in the process of being collected and deposited; (b) Collected funds will be placed in the Reserve Account (defined below) until all fees, charges, losses, or amounts for which Merchant is liable under this Agreement have been paid, and all contingent liabilities associated with Merchant have expired or been resolved. Further, Service Providers reserve the right to require Merchant to deposit reasonable additional amounts based upon Merchant's processing history and/or anticipated risk of loss to Service Providers into the Reserve Account. The provisions of this Agreement relating to the debiting and crediting of the Bank Account shall be applied to the Reserve Account and shall survive termination of this Agreement. Any balance remaining after Chargeback rights have expired and all other expenses, losses and damages have been paid will be promptly disbursed to Merchant; (c) Merchant acknowledges that Service Providers are required to report the business name of the Merchant and the names and identification of its principals to MATCH and/or the CMNF in the event Merchant is terminated for the reasons set forth in those organizations' rules. Merchant consents to such reporting to the Card Networks by Service Providers. Merchant agrees that it will hold Service Providers harmless for all such reporting; (d) Upon termination for any reason, Merchant will immediately cease requesting Authorizations and will cease transmitting Transactions to Service Providers. In the event Merchant obtains any Authorization after termination, Merchant expressly acknowledges and agrees that the fact that any Authorization was requested or obtained shall not operate to reinstate this Agreement; (e) Following termination, if Merchant accepts Transactions at physical stores, then Merchant shall, upon request, provide Service Providers with all original and electronic copies of Sales Drafts and Credit Vouchers to be retained as of the date of termination; (f) Upon termination, any amounts due to Service Providers will accelerate and be immediately due and payable. If Service Providers terminates this Agreement for cause then any fees that would have accrued for the remaining term, and any termination fees will accelerate and be immediately due and payable; (g) Merchant will return all of Service Providers' property, forms, or equipment; (h) All obligations for Transactions prior to termination (including to pay for Chargebacks and Service Providers' expenses relating to Chargebacks) survive termination.

29. Indemnity. Merchant hereby agrees to indemnify and hold Service Providers and their respective officers, agents, directors and employees harmless from any claim relating to a dispute between Merchant and a Cardholder, any Transaction paid for as may be made by anyone by way of defense, dispute, offset, counterclaim or affirmative action. Merchant agrees to indemnify Service Providers for losses that it may incur as a result of (i) Merchant's breach of any representation, warranty, or term of this Agreement; (ii) a breach of the security of the Merchant's system safeguarding Cardholder information or Merchant's failure to comply with PCI, CISP, and/or SDP; (iii) Merchant's negligence or willful misconduct in the performance of its obligations under this Agreement; (iv) any violation of applicable Rules; (v) fraud; and (vi) all third-party claims arising from the foregoing. PayGears reserves the right, in its sole discretion and at its own expense, to assume the exclusive defense and control of any Claims. You agree to reasonably cooperate as requested by PayGears in the defense of any Claims.

30. SERVICE PROVIDERS MAKE NO WARRANTIES REGARDING THE USE, OPERATION, OR PERFORMANCE OF SOFTWARE AND SYSTEMS UTILIZED FOR THIS AGREEMENT, WHETHER EXPRESS OR IMPLIED, AND SERVICE PROVIDERS EXPRESSLY DISCLAIM ALL IMPLIED WARRANTIES, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE TO THE FULLEST EXTENT ALLOWABLE BY LAW. SERVICE PROVIDERS HAVE NO LIABILITY WITH RESPECT TO ANY SOFTWARE, DATA OR OTHER MATERIALS PROVIDED TO MERCHANT PURSUANT TO THIS AGREEMENT. FURTHER, EXCEPT AS EXPRESSLY SET FORTH HEREIN, SERVICE PROVIDERS MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE SERVICES IT PROVIDES HEREUNDER. SHOULD THERE BE ERRORS, OMISSIONS, INTERRUPTIONS OR DELAYS RESULTING FROM SERVICE PROVIDERS PERFORMANCE OR FAILURE TO PERFORM OF ANY KIND, SERVICE PROVIDERS' LIABILITY SHALL BE LIMITED TO CORRECTING SUCH ERRORS IF AND TO THE EXTENT THAT DOING SO IS COMMERCIALY REASONABLE. SERVICE PROVIDERS WILL PERFORM ALL SERVICES IN ACCORDANCE WITH THIS AGREEMENT. SERVICE PROVIDERS DISCLAIM ANY REPRESENTATIONS OR WARRANTIES THAT YOUR USE OF THE SERVICES WILL SATISFY OR ENSURE COMPLIANCE WITH ANY LEGAL OBLIGATIONS, LAWS, OR REGULATIONS.

31. Limitation of Liability. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE ENTIRE LIABILITY OF PAYGEARS, BANK AND ITS OR THEIR AFFILIATES FOR ALL CLAIMS RELATING TO THIS AGREEMENT SHALL BE LIMITED TO THE AMOUNT YOU PAID FOR THE SERVICES DURING THE TWELVE (12) MONTHS PRIOR TO SUCH CLAIM. SUBJECT TO APPLICABLE LAW, NONE OR PAYGEARS, BANK AND ITS OR THEIR AFFILIATES ARE LIABLE FOR ANY OF THE FOLLOWING: (A) INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES; AND (B) DAMAGES RELATING TO FAILURES OF TELECOMMUNICATIONS, THE INTERNET, ELECTRONIC COMMUNICATIONS, CORRUPTION, SECURITY, LOSS OR THEFT OF DATA, VIRUSES, SPYWARE, LOSS OF BUSINESS, REVENUE, PROFITS OR INVESTMENT, OR USE OF SOFTWARE OR HARDWARE THAT DOES NOT MEET PAYGEARS SYSTEMS REQUIREMENTS. THE ABOVE LIMITATIONS APPLY EVEN IF PAYGEARS, BANK AND ITS AND THEIR AFFILIATES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THIS AGREEMENT SETS FORTH THE ENTIRE LIABILITY OF PAYGEARS AND ITS AFFILIATES AND SUPPLIERS, AND YOUR EXCLUSIVE REMEDY WITH RESPECT TO THE SERVICES AND ITS USE.

31. Changes to this Agreement. We reserve the right to change this Agreement at any time and the changes will be effective when posted through the Services, or on our website for the Services. We may also change or discontinue the Services, in whole or in part. Your continued use of the Services indicates your acceptance and agreement to the changes.

32. Suspension and Termination, Effect of Termination. PayGears may immediately, in its sole discretion and with or without notice or cause, suspend or terminate your Services and/or Merchant Account under this Agreement, including without limitation, if: (a) we have reason to believe that fraudulent transactions or other activity prohibited by this Agreement has occurred; (b) such action is necessary to prevent loss to us; (c) you violate any portion of this Agreement, including our Acceptable Use Policy; or (d) you appear on any card or payment network or other fraud, prohibited, or security reporting list. Additionally, VISA or other card or payment networks may suspend or terminate their Services to you under this Agreement with or without notice. Upon termination by PayGears for any reason, you must immediately stop using the Services. All Sections of this Agreement that by their nature should survive termination will remain in effect, including without limitation, accrued rights to payments, indemnification, confidentiality, warranty disclaimer, and limitations of liability. Additionally, all of your obligations under this Agreement, which arise or are incurred prior to the effective date of termination, shall survive termination.

You agree that the information you provided in the Merchant Application (or otherwise requested by PayGears as part of an application or investigation process) is true, accurate, and complete. You agree to update us on an ongoing basis with: a list of principals, owners, or officers for your business including their home addresses, personal and business telephone numbers, and email addresses; all "Doing Business As" (DBA) names used by you; your business address and telephone number; the URL (web address) for your business; and a complete description of goods and services provided by your business. If the scope or nature of your business, or the type of products or services you offer changes, you agree to notify us prior to such change. You are liable to us for all losses and expenses incurred by us arising out of your failure to report any changes to us. PayGears reserves the right to immediately terminate this Agreement or suspend your access to the Services in the event of a change in information you previously provided to us.

34. Force Majeure. Any delay in or failure of performance by PayGears under this Agreement will not be considered a breach of this Agreement and will be excused to the extent caused by any occurrence beyond its reasonable control, including, but not limited to acts of God, power outages, failures of the Internet, or failures of banking or ACH networks.

35. No Assignment. You agree that you will not assign this Agreement or any payments due to you or that may become due to you hereunder to any third party, and that all indebtedness arising from all charges and transactions under this Agreement will be for bona fide sales of goods or services (or both) and free and clear of any liens, claims, and encumbrances other than ordinary sales taxes. This Agreement shall be governed and construed under the laws of the State of Delaware. All claims or controversies between the parties related to this Agreement, which are not otherwise settled by agreement of parties, will be submitted to and decided by binding arbitration as set forth in Section 36, below

36. In the event that Merchant, Service Providers are not able to resolve a Claim, they agree to submit the Claim to binding arbitration as set forth herein, and such election shall be binding on the other parties. Claims will be decided by one or three neutral arbitrator(s) , depending upon the complexity and scope of the dispute.

a) Initiation of Arbitration. A Party electing arbitration begins by serving a Demand for Arbitration (the "Demand") on each Party. The Demand shall include a statement of what is being claimed and a list of the remedies sought. Claims may be referred to either Judicial Arbitration and Mediation Services ("JAMS") or the American Arbitration Association, as selected by the Party electing arbitration. Claims will be resolved pursuant to this Section 36 and the selected arbitration organization's rules in effect when the Claim is filed. Claims may be referred to another arbitration organization if all Parties agree in writing, if Merchant or Service Providers, on one hand, selects the organization and Merchant, on the other hand, select the other within 30 days thereafter or if an arbitrator is appointed pursuant to section 5 of the Federal Arbitration Act, 9 U.S.C. §§ 1-16 (FAA). Any arbitration hearing will take place in Delaware.

b) Limitations on Arbitration. If any party elects to resolve a Claim by arbitration, that Claim will be arbitrated on an individual basis. No Claim is to be arbitrated on a class or purported representative basis or on behalf of the general public or other persons allegedly similarly situated. An arbitrator's authority is not limited to Claims among Merchant and Service Providers. An arbitration award and any judgment confirming it will apply only to the specific case brought by Merchant or Service Providers and cannot be used in any other case except to enforce the award as among Merchant and Service Providers. This prohibition is intended to, and does, preclude Merchant from participating in any action by any trade association or other organization against Merchant and Service Providers. The Parties to this Agreement acknowledge that the restriction on class or purported representative basis above is material and essential to the arbitration of any disputes between the Parties and is therefore nonseverable from the Parties' agreement to arbitrate. Notwithstanding the foregoing, if any portion of these Limitations on Arbitration in this Section 36(b) is found invalid or unenforceable, then the entire Section 36 (other than this sentence) will not apply, except that Merchant and Service Providers do not waive the right to appeal that decision.

c) Arbitrator's Authority. The arbitrator will have the power and authority to award any relief that would have been available in court. The arbitrator has no power or authority to alter the Agreement or any of its separate provisions, including this Section 36.

d) Split Proceedings for Equitable Relief. Merchant and Service Providers may seek equitable relief in aid of arbitration prior to arbitration on the merits if necessary to preserve the status quo pending completion of the arbitration.

e) Governing Law/Arbitration Procedures/Entry of Judgment. This Section 36 is made pursuant to a transaction involving interstate commerce and is governed by the FAA. The arbitrator shall apply Delaware law and applicable statutes of limitations except for its Choice of Law Rules, and honor claims of privilege recognized by law. The arbitrator shall apply the rules of the arbitration organization selected, as applicable to matters relating to evidence and discovery, not federal or any state rules of procedure or evidence, provided that any Party may ask the arbitrator to expand discovery by making a written request, to which the other parties will have fifteen (15) days to respond before the arbitrator rules on the request. No Party may seek more than three (3) depositions or witness interviews without the prior written consent of all other Parties to the arbitration proceeding. The Parties shall utilize any "expedited" or "streamlined" procedures and rulesets to the extent they are available. If Claim is for \$10,000 or less, claimant may choose whether the arbitration will be conducted solely based on documents submitted to the arbitrator, through a telephonic hearing, or by an in-person hearing under the rules of the selected arbitration organization. At the timely written request of a party, the arbitrator will provide a written opinion explaining his/her award. The arbitrator's decision will be final and binding, except for any rights of appeal provided by the FAA. Judgment on an award rendered by the arbitrator may be entered in any state or federal court in the federal judicial district where the headquarters or assets of the Party that the judgment is being enforced against are located.

f) Confidentiality. The arbitration proceeding and all information submitted, relating to or presented in connection with or during the proceeding, shall be deemed confidential information not to be disclosed to any person not a party to the arbitration. All communications, whether written or oral, made in the course of or in connection with the Claim and its resolution, by or on behalf of any party or by the arbitrator or a mediator, including any arbitration award or judgment related thereto, are confidential and inadmissible for any purpose, including impeachment or estoppel, in any other litigation or proceeding; provided, however, that evidence shall not be rendered inadmissible or non-discoverable solely as a result of its use in the arbitration.

g) Costs of Arbitration Proceedings. Each Party will be responsible for paying its own share of any arbitration fees (including filing, administrative, hearing or other fees).

h) Definitions. For purposes of this Section 36 only (i) "Merchant" includes Merchant's Affiliates, licensees, predecessors, successors, or assigns, any purchasers of any receivables and all agents, directors, and representatives of any of the foregoing, and (ii) "Claim" means any allegation of an

entitlement to relief, whether damages, injunctive or any other form of relief, against Service Providers that Service Providers has the right to join, including any allegation involving a transaction using a Card Network product or network or regarding the Rules.

37. California Consumer Privacy Act. For the purposes of the California Consumer Privacy Act ("CCPA"), PayGears shall be considered a Business and/or Third Party, as applicable. Where PayGears acts as a Third Party, you represent, warrant and covenant that all Personal Information provided or otherwise made available to PayGears is done so in compliance with applicable law, and that it has provided all necessary and appropriate notices and opt-outs, and otherwise has all necessary and appropriate rights, to enable PayGears to (i) share any and all Personal Information you provided with any PayGears company, including PayGears Inc. and any parent, subsidiary, affiliate, or related company of PayGears Inc. (collectively, the "PayGears Family Companies"), and (ii) use any such Personal Information in connection with any and all PayGears Family Companies' internal operations and functions, including, but not limited to, improving such PayGears Family Companies' products and/or services, operational analytics and reporting, internal financial reporting and analysis, audit functions and archival purposes. Notwithstanding the foregoing, the parties agree that the sharing of Personal Information between PayGears Family Companies does not constitute a "sale" of such Personal Information under the CCPA. Capitalized terms in this paragraph have the meanings given those terms under the CCPA.

38. Export Restrictions. You acknowledge that the Services, including the mobile application and the underlying software, may include U.S. technical data subject to restrictions under export control laws and regulations administered by the United States government. You agree that you will comply with these laws and regulations and will not export or re-export any part of the Services in violation of these laws and regulations, directly or indirectly.



ACH Program Design

Date: _____

Client and Program Information

Business Name ("Company"): _____

Brief Program Description

ACH Company ID (Default will be "1"+ EIN): _____

ACH Company Name (maximum of 15 characters): _____

This is the name that will appear on recipients statements

Client Contact Name: _____

Client Phone: _____ Client Email: _____

New Program or Change/Replace Program? New Change/Replace

Target Launch Date: _____

Normal Business Hours: _____ After Hours/Holidays: _____

Normal Business Hours Operational Contact Name: _____ Phone: _____ Email: _____

Check this box only if your Operational Contact is the same as your After Hours/Holiday Operational Contact. If different, complete information below.

After Hours/Holiday Operational Contact: _____ Phone: _____ Email: _____

ACH Origination

FILE TRANSMISSION

1) What deadlines will your program utilize? Please select all that apply.

- Same Day (Cutoff Time is Noon CST)
- Next Day (Cutoff Time is 8:00 PM CST)
- Sunday/Holiday (Cutoff Time is 8:00 PM CST)

2) How will data be transmissioned? Select one.

- FTP
- API*

3) Who performs the data transmission? Select one.

- Third Party/Vendor Performs
- Platform/Originator Performs

Notes:

*ACH API requires additional consideration and configuration.

FILE CHARACTERISTICS

1) What type of file will you provide? Please select all that apply.

- Separate Debits & Credits Mixed Debits & Credits

ACH CHARACTERISTICS

1) Will you be doing Domestic and/or International? Please select all that apply.

- Domestic International*

2) What type of transaction type(s) will you be doing? Please select all that apply.

- Debits Credits
 Reoccurring (API Only)

3) Which SEC Codes will you be processing (check all that apply):

- CCD WEB** PPD BOC CTX Other: _____
 TEL** ARC CIE POP RCK

VELOCITY LIMITS

1) Single Maximum Transaction Amount

- Domestic International*

2) Input the following values only for the type(s) of transactions you will be doing.

Debit:

of Transactions (Daily)
 # of Transactions (Monthly)
 Total \$ Transactions (Daily)
 Total \$ Transactions (Monthly)

Credit:

of Transactions (Daily)
 # of Transactions (Monthly)
 Total \$ Transactions (Daily)
 Total \$ Transactions (Monthly)

Notes:

ACH Receiving

ADDITIONAL FEATURES

1) Will ACH be enabled for vAccounts? *If yes, please answer questions 2 and 3. If no, skip to signature.*

- Yes No

2) Who will manage the Subledger?

- Platform Third Party/Vendor Evolve

*International ACH requires additional consideration and configuration.

** The following SEC codes require additional consideration for approval: TEL and WEB.

ADDITIONAL FEATURES CONTINUED

3) Who will perform KYC?

Platform

Third Party/Vendor

Evolve

Additional Notes about Features:

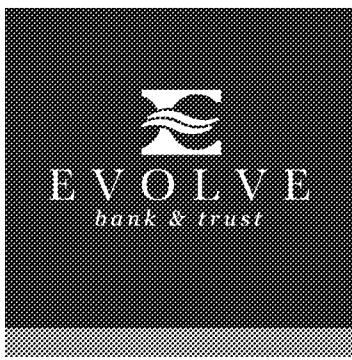
Signature

Customer Authorized Representative Name

Title

Signature

Date



ACH File Processing Schedule 2021

For every Federal Holiday in 2021, except *Christmas Day*, Evolve will process on the following schedule:

- Evolve will process Same-Day ACH files received by the 10:00 AM CST same-day processing cut-off time* on the Federal Holiday.
- Evolve will forward Next-Day ACH files received on the Federal Holiday by the 8:00 PM CST next-day processing cut-off time to the next day to process (expect Saturday).
- Evolve does not process on Saturdays. This year, Christmas Day falls on a Saturday and will follow the same protocol as any file received on Saturday and be processed on the next day.

Special pricing will apply for processing on holidays.

Evolve will process ACH files received by the correct cut-off times on the Federal Holidays listed below:

Date	Day of the Week	Holiday
January 1, 2021	Friday	New Year's Day
January 18, 2021	Monday	Martin Luther King Jr. Day
February 15, 2021	Monday	Presidents' Day
May 31, 2021	Monday	Memorial Day
July 4, 2021	Sunday	Independence Day
September 6, 2021	Monday	Labor Day
October 11, 2021	Monday	Columbus Day
November 11, 2021	Thursday	Veterans' Day
November 25, 2021	Thursday	Thanksgiving Day

Evolve ACH file processing cut-off times:

ACH Type	Processing Cut-Off Time
Same-Day	10:00 AM CST
Next-Day	8:00 PM CST

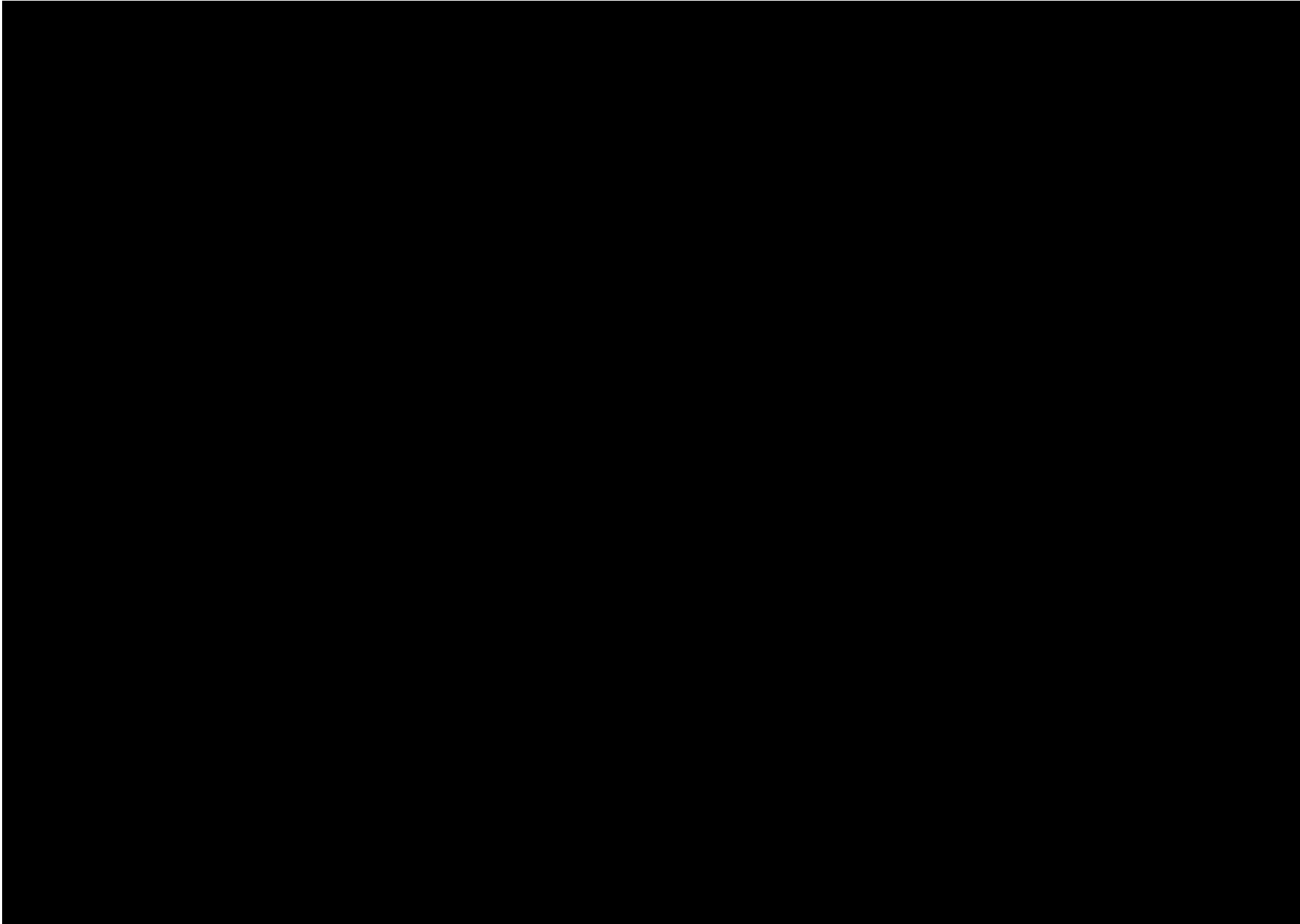
* If agreed upon same-day processing cut-off time differs, follow standard process.

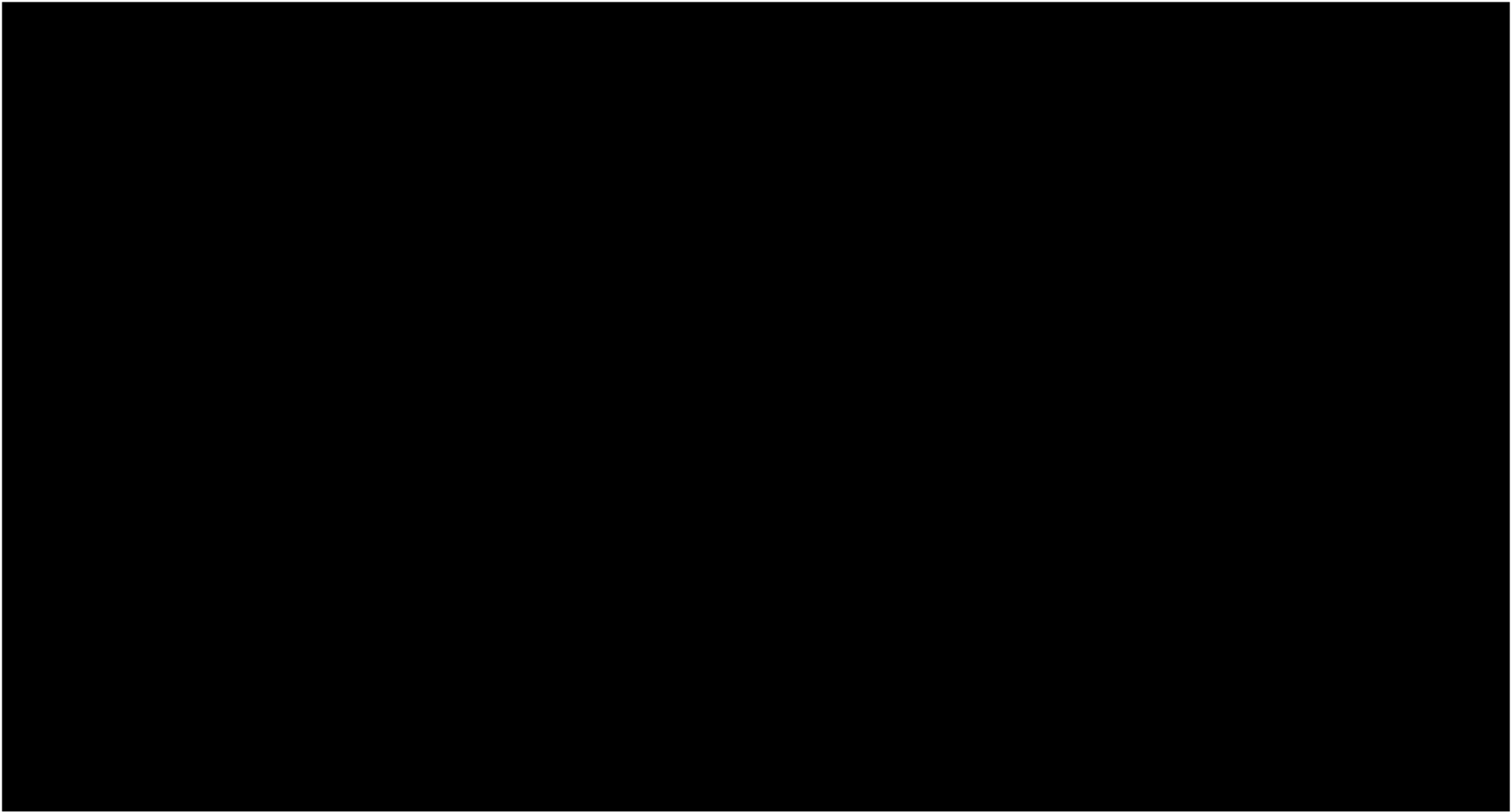
Status	Substatus	Pa	In	Code	Agent Code	Last Act v ty	Account Own	Account Name	Billing State/P	ov	noce	(text only)	Type	Last Mod	f	ed	Date	Loan	Loan Number	Bo	ow	Emaj	P	ria	y	App	ca	nt	Phone	Aff	I	ate	Code	C	ea	nd	Date	NAICS Code	SBA Status
SBA	Doc - Cleared	elev					GBA API	[REDACTED] Quantity	New Mexico				Customer	3/23/2021	BA-20040602				[REDACTED]	[REDACTED]				o	gan	c							3/23/2021	541613	App	oved	by	SBA	
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Name

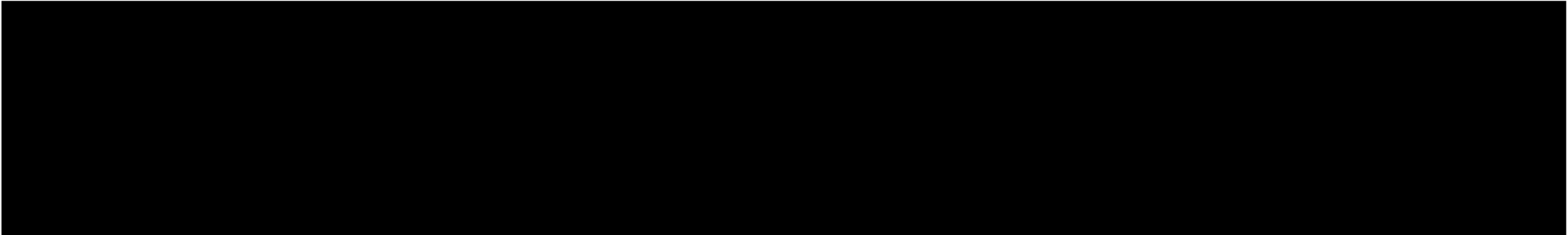
Address

Phone Number Email



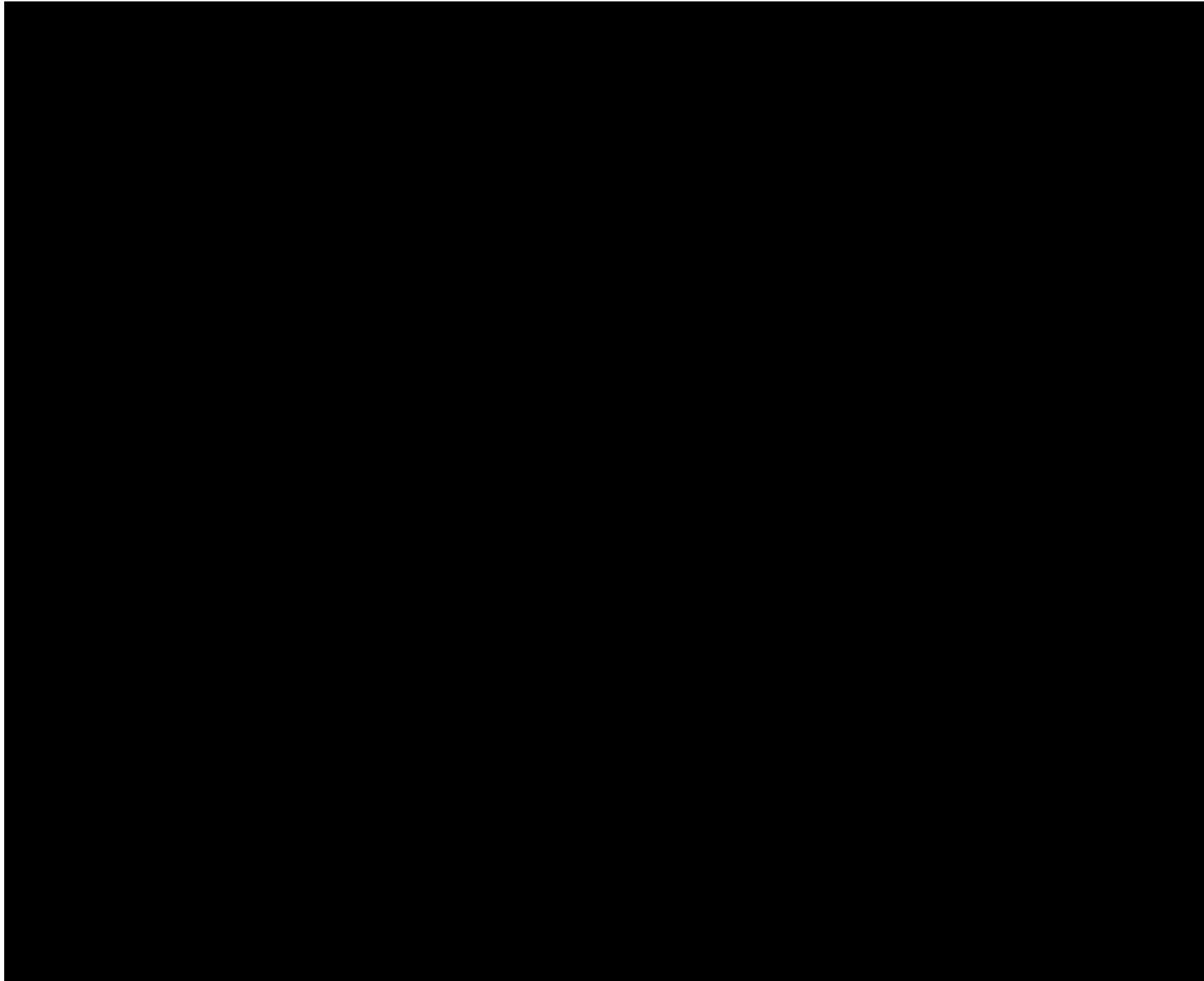


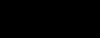
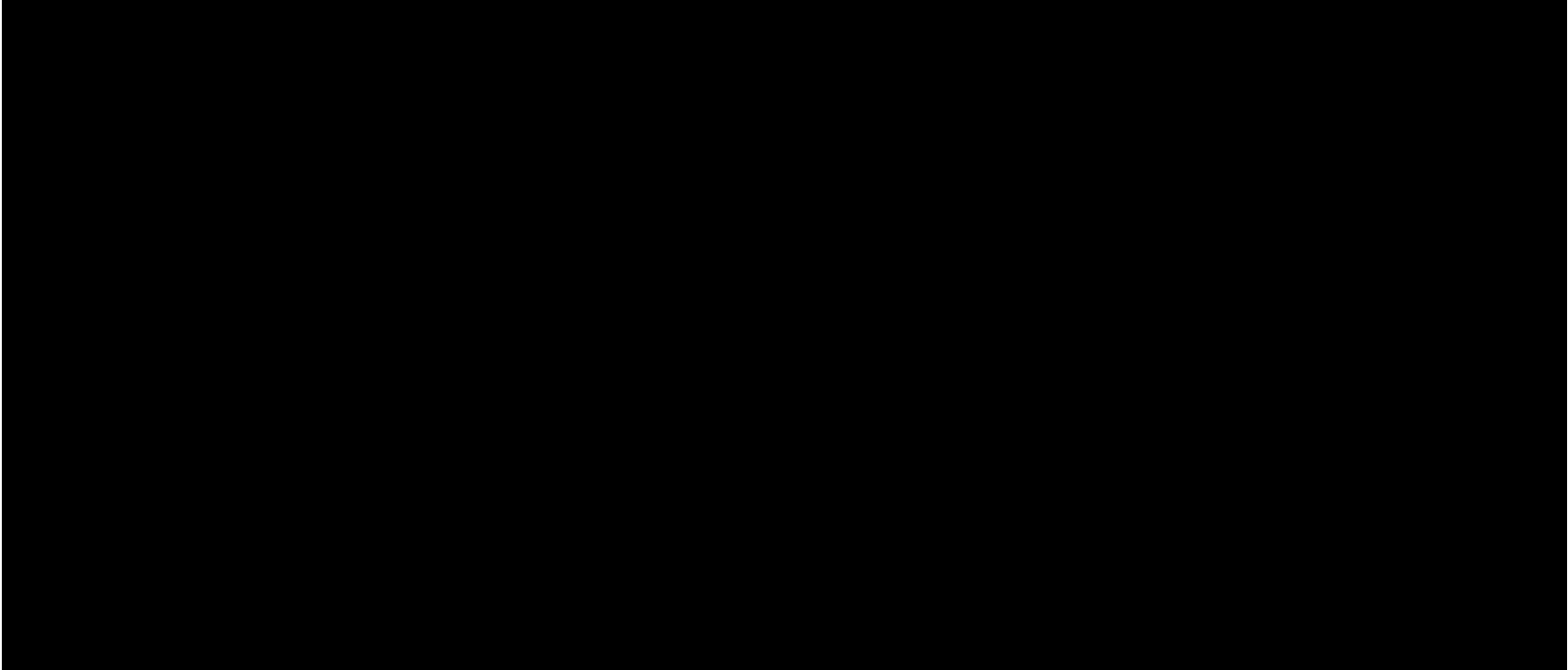
Owensby



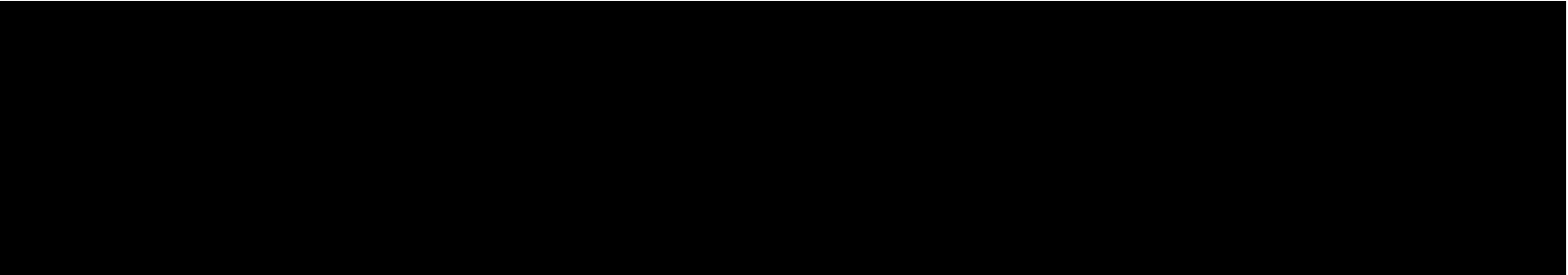
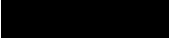
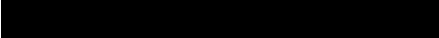
Owensby







Owensby



Remi

On a call

pw



Kristen Spencer 9:55 PM

Yes, please! I have been given strict orders to do nothing outside of making sure my people get through 5000 files a day. (By Matt Y)

9:59 PM

oy vey that's a lot haha i'll take you off that



when i get my google admin back

Mar 16th



Kristen Spencer 11:25 AM

Thank you!

12:34 PM

it's updated i changed the password and sent it to



Kristen Spencer 12:35 PM

Thank you x a million!

12:41 PM

happy to help! let me know if anything else comes up 😊

Mar 17th

8:15 PM

Message

On a call





On a call



8:35 PM

's partner account is deactivated and she now has one tied to her actual BA email

Kristen Spencer 9:07 PM

Thank you!

Mar 18th**Kristen Spencer** 3:56 PM

Hello :) is there a way to set me up for Phoenix view in Salesforce without messing up the 'regular' view? I have never had access to the Phoenix view but I know my way around like it is and don't want to lose that.. LOL

4:38 PM

Hi! so right now you have a manager profile and even more permissions from the role you have. I can change your profile to the phoenix one but i'm not sure what that will mess uo

Kristen Spencer 6:14 PM

LOL... I will leave well enough alone. I have higher permissions because up until last week I was doing a million jobs..... I was the DocuSign team, the submit every loan to SBA team, the funding/wire reject team, the customer service team, the SBA errors

Message

On a call



Home



DMs



Mentions



Search



You



On a call



LOL... I will leave well enough alone. I have higher permissions because up until last week I was doing a million jobs..... I was the DocuSign team, the submit every loan to SBA team, the funding/wire reject team, the customer service team, the SBA errors team, the fraud team, plus in charge of the processing /underwriting team.... hahaha so welcome and thank you for all you are doing..... I have been told to double my team/capacity by Monday. I will have about 25-30 new people coming on board..... Will it be easier for you guys for me to wait and submit you all of those people at one time what all do you need from me for them to get set up in SF and slack is it more than just their current email and name? or is that still the procedure..... we handle back ground checks , applications, etc..... this will be the Elev8/ Business Warrior EV team

6:28 PM

wow you're doing a ton. do you have 5 min to jump on a quick zoom and i can talk it through with you?

basically yes i need their name, email and hiring source (elev8, business warrior, etc.) I can either do batches of people or individual it doesn't matter much to me. Also I just need to know if they need to be

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On a call



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**Kristen Spencer** 4:18 PM

um [redacted] shouldnt be making those decisions....lol...I was just told to hire another round of people so all of those may be reactivated anyway



7:35 PM

I'm sorry. I can reactivate whoever is needed. All the elev8 people I deactivated I put on your spreadsheet in red

**Kristen Spencer** 8:33 PM

Totally not your fault... I will contact each of them tomorrow to see if they want to go forward with the company or not. Thank you for all you do



10:05 PM

okay right now [redacted] sorted the page by last login date and you should be able to see the notes on the pagee

do you know what the EV leadership structure is? like is there an EV director who should have a master list?

May 13th**Kristen Spencer** 10:05 AM

There isn't really one by title per say, but That would probably be Matt Y.possibly [redacted]. I will be adding people who need

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On a call



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Stephanie

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underwriters to your files? Or are you handling both sides

**Stephanie** 12:27 PM

Right now, I'm pretty good. I stayed up late & was able to get through most of them.

**Kristen Spencer** 12:38 PM

Ok, great. If you ever need help, [redacted] is a really strong underwriter-I can assign him to help you on any of the general ones and [redacted] is taking lead on all corporations and partnerships

**Stephanie** 12:39 PM

Sweetness!! I'll definitely tap into the help 100%!!

Right now, I've been UW everything... because I'm training my sales agents... and I need to know where they are still confused & how I need to keep training them. But, I'm almost to the point where we'll be good to go!

**Kristen Spencer** 12:41 PM

That is awesome

**Stephanie** 12:45 PM

One of the big holes I'm seeing currently -- we have several applicants that were kicked back by the SBA due to : "SBA is still

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Stephanie

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**Kristen Spencer** 4:59 PM

They only generate once per customer per status

**Stephanie** 4:59 PM

cool!

**Kristen Spencer** 5:00 PM

And more detailed info- from

the 1pm and 4pm are for applicants that just sign up during the day to get a confirmation email

**Stephanie** 5:01 PM

Bueno!

This is a great update.... thanks for sharing!

**Kristen Spencer** 5:04 PM

Sure

It was great info for me to find out too! LOL

**Stephanie** 5:06 PM

We're building the parachute after we jumped out of the plane.

**Kristen Spencer** 5:08 PM

No kidding! Well I am always Up for an adventure.

**Stephanie** 5:08 PM

Well, welcome to the jungle.

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burning... it should be pretty obvious

Quantity	Status	Loan Volume
242	Approved by SBA	\$17,717,619.73
9	Hold Codes	\$9,207,320.95
24	Error Codes	\$4,236,928.05
58	Under Review	\$2,392,051.27

Eventually, we'll need to have a designated person in charge of resolving Hold Codes.... and a designated person in charge of Error Codes. These people will own these channels... study the codes and the errors...understand what it takes to solve them. They need to be people who are curious... investigators... and who can come up with potentially creative solutions to difficult problems.



BTW - these numbers are for the entire company (not just my sales channel)



Another Fire - I have a \$1.9M deal that's been sitting in UW Ready for 5 DAYS!!!!

I don't need to tell you how much Blueacorn makes off of that loan alone...



Kristen Spencer 8:52 PM

Definitely. I promise helping this will be top of my list as soon as we get the docu-sign/ sales force/ sBA manual account loads

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Stephanie

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I don't need to tell you how much Blueacorn makes off of that loan alone...

**Kristen Spencer** 8:52 PM

Definitely. I promise helping this will be top of my list as soon as we get the docu-sign/ sales force/ sBA manual account loads under control. (Hopefully not more than a day or two)

If the loan is agriculture , I just put one of the underwriters on it so she can do all the leg work so _____ will just have to give it a one over and make sure she did it properly. And hopefully get it submitted tonight..... and _____ is currently doing SBA uploads so I will make sure he bumps it to the front of the list

**Stephanie** 8:53 PM

Thanks, Kristen! I hope you don't think I'm trying to overload you..... that's not my intention. You have so much on your plate and you're doing such a great job! I

**Kristen Spencer** 8:53 PM

And totally agree on having people take wonton the channels. We are definitely on the same page

**Stephanie** 8:54 PM

I appreciate you -- and no need to put your spot=checker on it-- the file is good.... just

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trying to overload you.... that's not my intention. You have so much on your plate and you're doing such a great job! I

**Kristen Spencer** 8:53 PM

And totally agree on having people take wonton the channels. We are definitely on the same page

**Stephanie** 8:54 PM

I appreciate you -- and no need to put your spot=checker on it-- the file is good.... just needs approval from someone other than me.... since it's in my channel. Once gets to it... it'll be fine.

I just can't believe he's taken 5 days to get to it.... like.... what are you doing, !

**Kristen Spencer** 8:55 PM

It's totally fine. I will work through it all. I managed 5 teenage boys at I've time - this feels normal. LOL 🤪

**Stephanie** 8:55 PM

I mean... I don't believe in prioritizing the biggest loans over the smallest.... but, there should be some understanding that as we get started... closing these monster loans will get everyone paid.

And it will take less than 3 minutes to approve this application. It's clean.

Anywho, that's my two cents. I'm going

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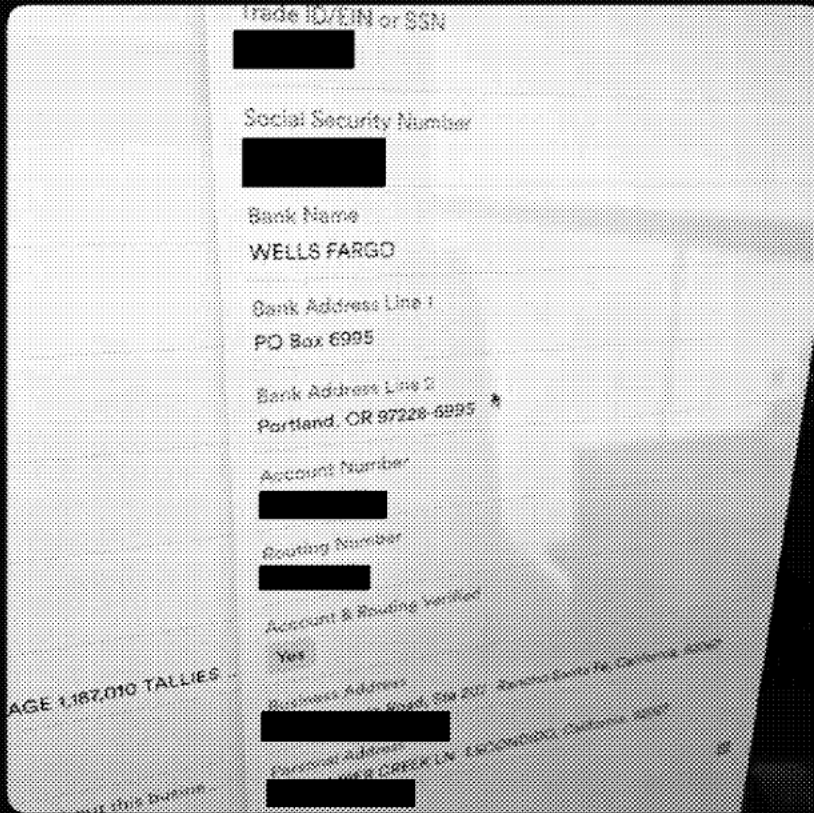


You



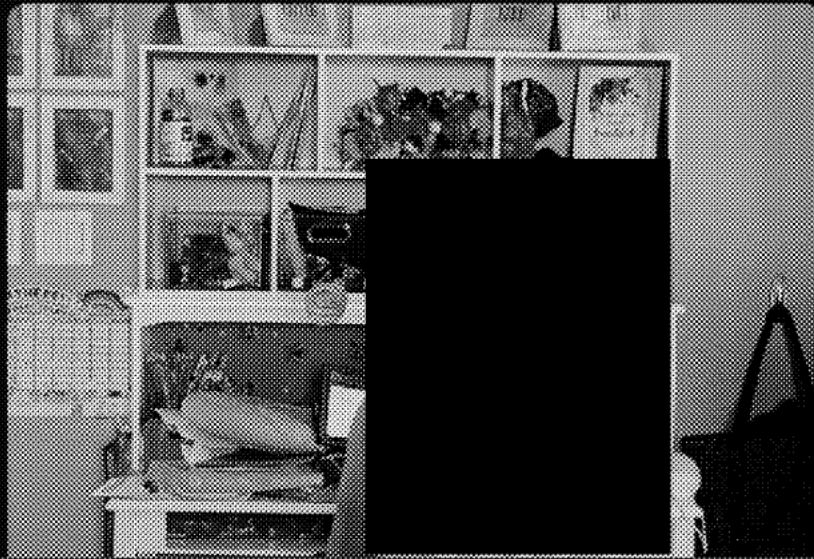
Stephanie

View details



Kristen Spencer 2:13 PM

Great minds... this is [Redacted]. Looking up bank accounts as we speak 🤖



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Stephanie

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Feb 15th



Stephanie 9:42 AM

Hey! I'm creating applications for Elev8 & Sweet Pea today. Sorry for the delay -- I didn't realize Nate had told you we would take care of it. My bad! I'll fix that today!



Stephanie 10:46 AM

Call me ASAP about loan docs that were just signed by borrower -- that are incorrect.

I want to ensure these docs are cancelled

Feb 16th



Stephanie 4:05 PM

Ok, I think I have a plan

Want to zoom?



Kristen Spencer 4:06 PM

absolutely



Stephanie 4:06 PM

ok, sending invite now

Stephanie Hockridge Reis is inviting you to a scheduled Zoom meeting.

Topic: Stephanie Hockridge Reis's Personal Meeting Room

Join Zoom Meeting

Message Stephanie



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Stephanie

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It came from her directly... so we know that it's hers.

Thoughts?

I'm open to denying this.

And getting a proper bank statement with her name.

Your call.



Kristen Spencer 4:49 PM

it works for me if it works for you.. I know you know her so i am ok with it we can send it and see if Farzana pushes back. and if that happens we can put it in the wells fargo acct?



Stephanie 4:50 PM

Ok - that works. I'm not familiar with the stipulations on this part of the process — so if you get any feedback from her on stuff like this... let me know, so we can verify on the front end.



Kristen Spencer 4:51 PM

I am workinmg on an email to send Farzana all of the corrections for all of the wires. I will copy you on it



Stephanie 4:51 PM

Sounds good!



Kristen Spencer 4:52 PM

Message Stephanie



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Stephanie

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Stephanie 8:30 PM

I just requested access



Kristen Spencer 8:30 PM

this may help bring it home for him..... this is the report from



Stephanie 8:31 PM

So like... 5 applications is holding up funding??

How has this not been resolved yet?

This should take 20 mins to resolve.

i don't understand



Kristen Spencer 8:33 PM

that isnt even s hang up..... its the qwk deals



Stephanie 8:33 PM

FUCK QWK

delete them

who fucking cares

We're not the first bank to decline borrowers who deserve to be funded

they go elsewehre



Kristen Spencer 8:34 PM

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Stephanie

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docusign account, I can't see any docs outside of the few that I sent personally in the early, early days.

**Stephanie** 6:33 PM

Does that DocuSign button still exist in SF?

**Kristen Spencer** 6:33 PM

no. they disabled it when they started automating docs being sent

**Stephanie** 6:34 PM

Ok... this might be why there's such an issue doing this.

The struggle is freaking real

Mar 8th**Stephanie** 9:05 AM

Hey Kristen! I never heard back from Adam on how he wanted to handle your personal PPPs. He was supposed to send me some paperwork because he wanted to restructure the deal based on how we submitted for 1st Round. So, I'm just going to send you all of the info & docs we submitted... and you guys can take care of it. Just make sure _____ underwrites your applications, since he's not one of your employees.

Elev8 Advisors Group LLC

Message Stephanie



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Stephanie

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to send you all of the info & docs we submitted... and you guys can take care of it. Just make sure underwrites your applications, since he's not one of your employees.

Elev8 Advisors Group LLC

- First Draw Lender: Prestamos CDFI
- Amount: \$38,479
- SBA#: 6824408003

Adam Spencer

- First Draw Lender: Prestamos CDFI
- Amount: \$20,832
- SBA#: 4627438101

Kristen Spencer

- First Draw Lender: Prestamos CDFI
- Amount: \$19,556
- SBA#: 6269958102

Elev8 Advisors Group:



Spencer - Articles.pdf

164 KB PDF



Message Stephanie



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Stephanie
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Kristen Spencer

- First Draw Lender: Prestamos CDFI
- Amount: \$19,556
- SBA#: 6269958102

Elev8 Advisors Group:



Spencer - Articles.pdf
164 KB PDF

OF LIMITED LIABILITY COMPANY

ENTITY INFORMATION

ENTITY NAME: Elev8 Advisors Group LLC
 ENTITY ID: [REDACTED]
 ENTITY TYPE: Domestic LLC
 EFFECTIVE DATE: 04/11/2019
 CHARACTER OF BUSINESS: Finance and Insurance
 MANAGEMENT STRUCTURE: Manager-Managed
 PERIOD OF DURATION: Perpetual
 PROFESSIONAL SERVICES: N/A

STATUTORY AGENT INFORMATION

STATUTORY AGENT NAME: Jonathan Brooks
 PHYSICAL ADDRESS: [REDACTED] PHOENIX, AZ 85016
 MAILING ADDRESS:

KNOWN PLACE OF BUSINESS

Alt: Adams Square [REDACTED] ME SA, AZ 85510

PRINCIPALS

Manager: Adam Spencer [REDACTED] ME SA, AZ 85510, USA - Date of Taking Office: 04/11/2019
 Member: Kristen Spencer [REDACTED] ME SA, AZ 85510, USA - Date of Taking Office:

ORGANIZERS

Jonathan Brooks [REDACTED] AZ 85016, USA

SIGNATURES

Organizer: Jonathan Brooks 04/02/2019



Spencer - Bank Feb 2020.pdf
372 KB PDF

Documents of 2020

Customer Service Information

1. [REDACTED]

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Stephanie

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Spencer - Bank Feb 2020.pdf

372 KB PDF

Customer service information

1-800-801-2212

Bank of America

Your Business Advantage Checking Relationship Rewards Gold

ELEV8 ADVISORS GROUP LLC

Account summary

Ending balance as of February 20, 2020: \$17,306.89

Need bills and coins? Get the latest app update.



Spencer - K1 Owner 1.pdf

181 KB PDF

Partner's Share of Income, Deductions, Credits, etc.

Part I Information About the Partnership

Part II Information About the Partner

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	-----

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Stephanie
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W-2 wages (amount)	\$ 20,000.00	20	W-2 wages (amount) for spouse (also, adjust)
Ending cash account	\$ 5,000.00	21	W-2 wages (amount) for spouse (also, adjust)



Spencer - K1 Owner 2.pdf
181 KB PDF

Partner's Share of Income, Deductions, Credits, etc.

Part I Information About the Partnership

Part II Information About the Partner

Partner: Spencer, [Redacted] Mesa, AZ 85213

Partner's share of partnership income:

Partner's share of partnership income	Partner's share of partnership deductions	Partner's share of partnership credits
100%	0%	0%

Partner's share of partnership income: 100%

Partner's share of partnership deductions: 0%

Partner's share of partnership credits: 0%

Partner's share of partnership income: 100%

Partner's share of partnership deductions: 0%

Partner's share of partnership credits: 0%



Spencer - Partnership Calculation.pdf
57 KB PDF

How to calculate your partnership per capita basis

- 1) Add each partner's individual salary. This is taken from line 14a of each partner's 2019 Schedule E-1.
- 2) Cap salaries at \$170,000 for each partner if necessary.
- 3) Sum and multiply the amount by 0.125. This removes the partnership entity's share of self-employment tax.
- 4) Add all gross wages and tips paid to all employees. Include employer contributions for health insurance. Cap the combined total contribution of any individual employee to \$129,000 in 2019, and exclude any employees who do not file as the 1st.
- 5) Add 2019 employer contributions for employee health insurance and employee retirement plans (IRS Form 1099-ES, line 15a if applicable).
- 6) Add 2019 state and local pension taxes. Federal taxes are excluded.
- 7) Divide the total sum by 12, if your business was new, use the number of months your business was in operation for.

Owner 1 K1	\$170,000
------------	-----------

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17	Other	136	27x	Other expenses (line 4b)	27x
18	Other	136	27x	Retirement for future use	27x
20	Total expenses before reductions for business use of home. Add lines 8 through 21c				21,111.00
22	Transferor's cost to sell. Subtract line 20 from line 21				21,111.00
23	Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 if you qualify for special depreciation law (see instructions)				0
24	Net profit or loss. Subtract line 23 from line 22				21,111.00

* If a profit, enter on both Schedule 1 (Form 1040 or 1040-SR), line 2 or Form 1040-NR, line 10, and on Schedule SE, line 2. If you checked the box on line 1, see instructions. Estates and trusts enter on Form 1041, line 2.
* If a loss, you must report line 28.



Kristen Spencer 10:15 AM

Thank you Steph- we have been so swamped that we haven't even talked about ours.... I appreciate you so much!

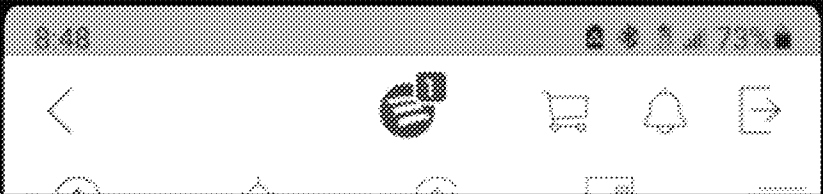
Mar 9th



Stephanie 12:57 PM
BA-20005826

Bank: Bank of America
Account:
Routing: :
PPP Amount: \$707,220.00

Message from Bank: Call the 800 number with the account number handy. Identify the bank & wiring bank & explain it's a legitimate transaction. 800 432 1000 (edited)



Message Stephanie

OPERATING AGREEMENT

OF

BLUEACORN PPP, LLC

Effective as of

5/26/2021

_____, 2021

THE MEMBERSHIP INTERESTS REPRESENTED BY THIS AGREEMENT HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR UNDER ANY STATE SECURITIES ACTS OR OTHER SIMILAR STATE STATUTES, IN RELIANCE UPON EXEMPTIONS FROM REGISTRATION UNDER THOSE ACTS. THE SALE OR OTHER DISPOSITION OF THE MEMBERSHIP INTERESTS IS RESTRICTED AS STATED IN THIS AGREEMENT AND IN ANY EVENT IS PROHIBITED UNLESS THE COMPANY RECEIVES AN OPINION OF COUNSEL OR OTHER EVIDENCE SATISFACTORY TO THE COMPANY OR ITS COUNSEL THAT SUCH SALE OR OTHER DISPOSITION CAN BE MADE WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND ANY OTHER APPLICABLE STATE STATUTES. BY ACQUIRING THE MEMBERSHIP INTERESTS REPRESENTED BY THIS AGREEMENT, EACH MEMBER REPRESENTS THAT IT HAS ACQUIRED THE SECURITIES FOR INVESTMENT AND THAT IT WILL NOT SELL OR OTHERWISE DISPOSE OF ITS MEMBERSHIP INTEREST WITHOUT REGISTRATION OR OTHER COMPLIANCE WITH THE AFORESAID ACTS AND THE RULES AND REGULATIONS THEREUNDER.

OPERATING AGREEMENT

OF

BLUEACORN PPP, LLC

THIS OPERATING AGREEMENT (this "Agreement") is effective of the 5/26/2021 5/26/2021 day of _____, 2021 (the "Effective Date"), by and among the Persons set forth on Exhibit A attached hereto, as amended from time to time (each, individually, a "Member" and, collectively, the "Members"), and each of the persons identified on Exhibit B hereto (each a "Manager" and collectively the "Managers" or the "Board of Managers"); and BLUEACORN PPP, LLC, an Arizona limited liability company (the "Company").

For the consideration of their mutual covenants hereinafter set forth, the parties hereto agree as follows:

ARTICLE 1 **FORMATION, NAME, PURPOSES, DEFINITIONS**

1.1 FORMATION. The Members formed a limited liability company pursuant to the Act and the terms of this Agreement, effective upon the filing of the Articles of Organization for the Company with the Arizona Corporation Commission. The Members shall sign and acknowledge any and all certificates and instruments and do all filing, recording, and other acts as may be appropriate to comply with the requirements of the laws relating to the formation, operation, and maintenance of the Company in all jurisdictions in which the Company desires to conduct business. The Managers shall cause the Company to be qualified or authorized to do business in any state in which such qualification or authorization is necessary in connection with the conduct of the Company's business. This Agreement shall constitute the Company's operating agreement for purposes of the Act.

1.2 TREATMENT AS PARTNERSHIP FOR TAX PURPOSES. The parties hereto intend that the Company shall be operated in a manner consistent with its classification as a "partnership" for federal and applicable state income tax purposes. The parties hereto also intend that the Company not be treated as a "partnership" for purposes of Section 303 of the United States Bankruptcy Code.

1.3 NAME. The name of the Company shall be "BLUEACORN PPP, LLC." The Managers shall arrange for the filing of any fictitious business name certificates and similar filings that the Managers consider appropriate or advisable. The Company shall hold all of its property in the name of the Company and not in the name of any Member.

1.4 REGISTERED OFFICE. The registered office of the Company for purposes of the Act is 15205 North Kierland Boulevard, Suite 200, Scottsdale, Arizona 85254, or at such other location as the Managers shall determine.

1.5 PURPOSE AND POWERS. The business and purpose of the Company is to manage various entities holding intellectual property related to loan processing, involved in PPP

**EXHIBIT A
SCHEDULE OF MEMBERS**

<u>Name</u>	<u>Initial Capital Contribution</u>	<u>Percentage Interest</u>	Nature of Interest (Capital or Incentive)
Noah Spirakus		50%	Capital
Nate Reis		30%	Capital
Stephanie Hockridge		20%	Capital

**EXHIBIT B
SCHEDULE OF MANAGERS**

Name	Address	Telephone and E-mail Address
Noah Spirakus		[REDACTED]@blueacorn.co
[REDACTED]		[REDACTED]@thenantucket.net

Certificate Of Completion

Envelope Id: [Redacted] Status: Completed
Subject: Please DocuSign: GK_DOCS-#8526766-v12-Blue Acorn PPP updated operating agreement.DOC
Source Envelope:
Document Pages: 26 Signatures: 6 Envelope Originator:
Certificate Pages: 5 Initials: 0 [Redacted]
AutoNav: Enabled [Redacted]
Enveloped Stamping: Enabled [Redacted]
Time Zone: (UTC-07:00) Arizona Phoenix, AZ 85016

Record Tracking

Status: Original Holder: [Redacted] Location: DocuSign
5/26/2021 4:52:20 PM [Redacted]

Signer Events

Nate Reis Signature Timestamp
[Redacted] [Redacted] Sent: 5/26/2021 5:03:34 PM
Viewed: 5/26/2021 5:07:19 PM
Signed: 5/26/2021 5:07:54 PM
CEO
Security Level: Email, Account Authentication (None)
Signature Adoption: Pre-selected Style
Using IP Address: [Redacted]
Signed using mobile

Electronic Record and Signature Disclosure:
Accepted: 5/26/2021 5:07:19 PM
ID: 455d597d-c2c1-4c3c-bee7-8f5d802c54ab

Noah Spirakus Signature Timestamp
[Redacted] [Redacted] Sent: 5/26/2021 5:03:34 PM
Viewed: 5/26/2021 5:16:19 PM
Signed: 5/26/2021 6:32:12 PM
CTO
Security Level: Email, Account Authentication (None)
Signature Adoption: Pre-selected Style
Using IP Address: [Redacted]

Electronic Record and Signature Disclosure:
Accepted: 5/26/2021 5:16:19 PM
ID: 46bdeaf7-a41a-46bc-9fd8-dfc4180c83b3

Stephanie Hockridge Signature Timestamp
[Redacted] [Redacted] Sent: 5/26/2021 5:03:35 PM
Viewed: 5/26/2021 5:07:09 PM
Signed: 5/26/2021 5:10:00 PM
Security Level: Email, Account Authentication (None)
Signature Adoption: Pre-selected Style
Using IP Address: [Redacted]
Signed using mobile

Electronic Record and Signature Disclosure:
Accepted: 5/26/2021 5:07:09 PM
ID: 9ea54ec5-bd86-4322-8222-54b28be00211

[Redacted] Signature Timestamp
[Redacted] [Redacted] Sent: 5/26/2021 5:03:35 PM
Viewed: 5/26/2021 6:18:11 PM
Signed: 5/26/2021 6:18:37 PM
Security Level: Email, Account Authentication (None)
Signature Adoption: Pre-selected Style
Using IP Address: [Redacted]
Signed using mobile

Electronic Record and Signature Disclosure:
Accepted: 5/26/2021 6:18:11 PM
ID: 20668a23-c063-4c3d-8746-15f077279a9a



Blueacorn

Est. 05.20.2020

TOC

Overview/ Future

Vision

Executive Team

Risk Management

Loan Process
Flow

Fraud Investigation Process

Lender Channels

Customer Support

The Validation

Who we support



Overview

Blueacorn is connecting technology and financial expertise to streamline the SBA's Paycheck Protection Program (PPP) application process for small businesses, independent contractors, and the self-employed.

We are a Lender Service Provider, meaning we are not a bank. We help compile loan application paperwork for the PPP and we partner with an *SBA authorized* LENDER to apply for and secure your loan. We've partnered with both a non-profit Community Development Financial Institution (CDFI) and community State Bank to help small businesses secure the funds meant to support them, and continue to build partner relationships with lenders.





The Future

The PPP shined a spotlight on the extensive needs in the small business community and the ability to use our platform to continue to bridge the gap.

The PPP is one of many loan programs tailored to support small businesses across the country.

Blueacorn will continue as a financial servicing company driving financial support, educational support and professional support into minority and low-income communities.



A decorative horizontal bar with a teal segment on the left and an orange segment on the right, positioned above the 'Vision' header.

Vision

Our aim is to work together to build up the world around us by empowering small business owners and independent workers.



Executive Team



The Team

We are a team of passionate, driven tech and financial professionals, working around the clock to meet the high demand of this kind of service.



CO-FOUNDER & CTO

Noah Spirakus

- Noah Spirakus has a decade of experience in FinTech, Payments Systems, and Data Analytics
- He has held roles including SVP of Strategy, Founder, and Vice President of Product
- He has extensive experience in relation database management, Salesforce, and Artificial Intelligence data mining
- He is a graduate of the University of Texas, Austin

[Noah Spirakus | LinkedIn](#)





CEO

Barry Calhoun

- Barry Calhoun has 25 years of combined experience working in consulting, banking, and private equity
- He has served in senior management roles including CEO, Managing Director, and Senior Vice President at investment funds, banks, and consultancies
- Barry is a graduate of the University of Illinois Urbana-Champaign

[Barry Calhoun | LinkedIn](#)



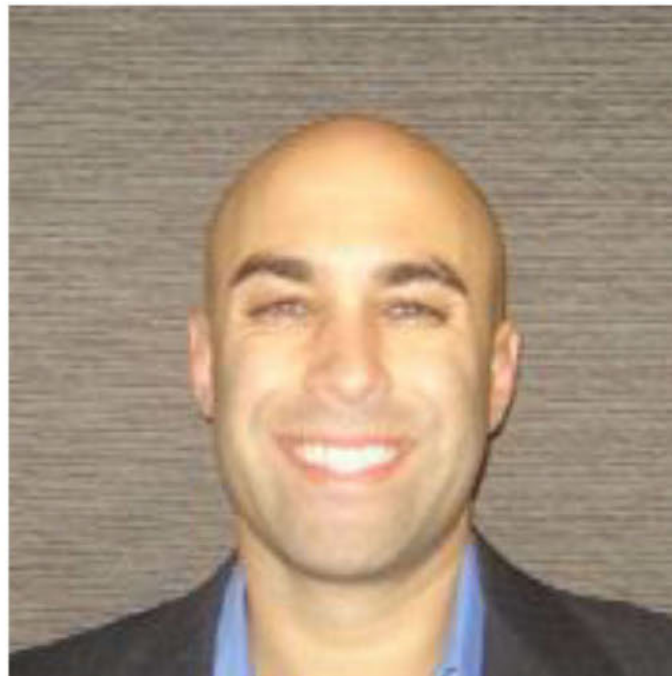


COO

Matt Yahes

- Matt Yahes has more than two decades of experience as a successful consultant and entrepreneur
- He has extensive experience in e-commerce, business process outsourcing, and managing global remote workforces
- Matt received his MBA from the University of Michigan

[Matthew Yahes | LinkedIn](#)





CFO

Bill Hutchinson

- Bill Hutchinson 31 years of combined experience working in consulting, banking, industry and public accounting. He has served in senior management roles in the distribution, retail, and manufacturing industry
- Bill earned his bachelor of science in accounting at Washington & Lee University, before receiving his MBA at Washington University, St. Louis
- CPA license in Virginia (██████) as well as North Carolina (██████). Also holds the Certified Internal Auditor designation

[William Hutchinson | LinkedIn](#)





CHIEF MARKETING OFFICER

Taylor Hendricksen

- Taylor Hendricksen has 10 years of experience helping businesses grow through digital marketing
- His expertise spans search engine optimization, sales funnel design, conversion optimization, and both front- and back-end website design and development
- He is a graduate of Montana State University

[Taylor Hendricksen | LinkedIn](#)



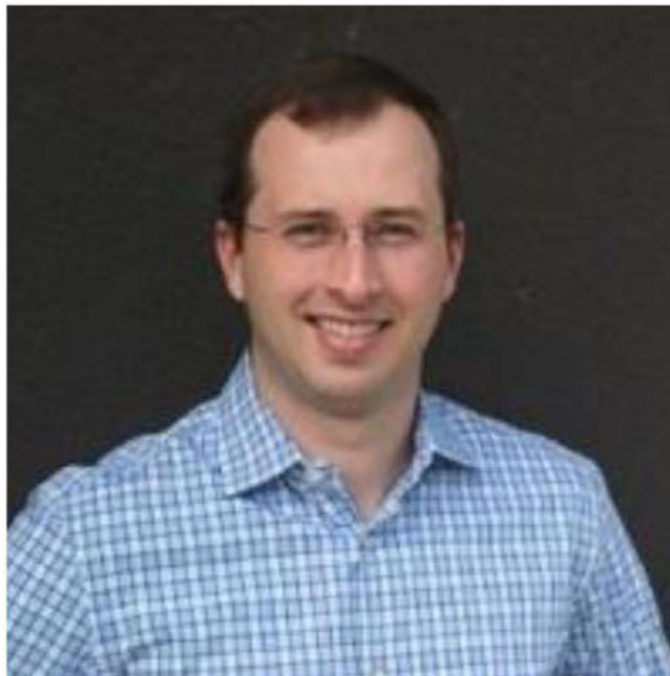


VP of DATA ANALYTICS

David Rathmann

- David Rathmann has a decade of experience working in web-based AI and Marketing
- He has held roles including SVP of Strategy, Founder, and Vice President of Product
- He has extensive experience in relational database management, Salesforce, and Artificial Intelligence data mining
- He is a graduate of the University of Texas, Austin

[David Rathmann | LinkedIn](#)



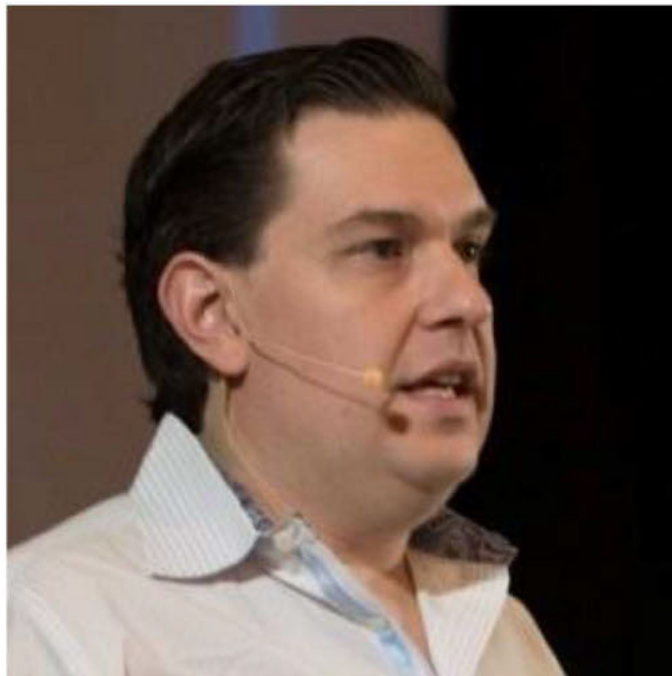


STRATEGIC ADVISOR

Matt Mandell

- Matt Mandell has 15 years of experience in the payments, e-commerce, food, logistics, eCommerce, pet accessories, consumer packaged goods, manufacturing, fashion and consulting spaces
- Matt received both his bachelor's and MBA degrees from George Washington University

[Matt Mandell | LinkedIn](#)



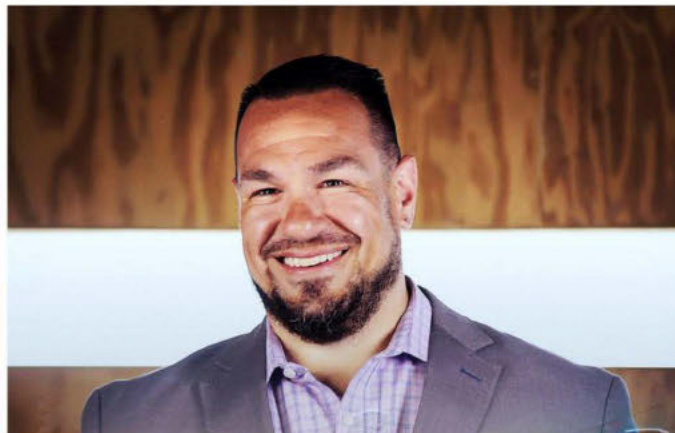


STRATEGIC ADVISOR

Adam Spencer

- Adam Spencer has 20 years of experience in banking and 8 years of experience in full-cycle payments management, giving him insight into the compliance needs of the banking sector
- Holds following American Banker Association Certifications: CRCM Professional (Certification of Regulatory Compliance - Risk Mitigation and Management), CERP Professional (Certified Enterprise Risk Professional), NMLS Registered, and CPP (Certified Payments Professional).
- Adam is a graduate of Fort Lewis College

[Adam Spencer | LinkedIn](#)





Risk Management



Risk Management and Security

Our Blueacorn platform integrates *Third Party* software companies into our process to help improve our risk posture and mitigate fraud.

- Plaid
- Giact
- Onfido
- Idology



Plaid | Securely Connect & Share Data from Financial Institutions

The easiest way for people
**to connect their financial
accounts to an app**

Get API keys >

Start building with Plaid's APIs for free.

Questions? [Contact our sales team](#)



Giact | Fraud Detection Services

Protecting you and your customers
at every touchpoint

Enrollments

Prevent fraudulent account openings

Open new accounts in real-time
while reducing true name and
synthetic identity fraud

Payments

Prevent unauthorized payments

Confirm bank account ownership
and status in real-time before
processing payments

Identity

Validate customer identity in real-time

Verify identities with confidence
using configurable multifactor
authentication

Compliance

Satisfy KYC requirements

Stay in compliance with up-to-date,
automated OFAC and Beneficial
Ownership screening



Onfido | Document ID & Facial Biometrics Verification

Verifying real identity in a remote world

How do you verify real people in the digital world? Onfido helps companies see real identity – the humans behind the screens – using world-leading AI and identity experts. Your customers can prove their identities, wherever they are, with just an ID and their face. So you'll have everything you need to grow your business securely.



Idology | Identify Verification, Authentication



Smarter, Multi-Layered Identity Verification

Innovative solutions to drive revenue, remove friction, and fight fraud.

Loan Process Flow



Loan Process Flow Summary

Customer Sign up

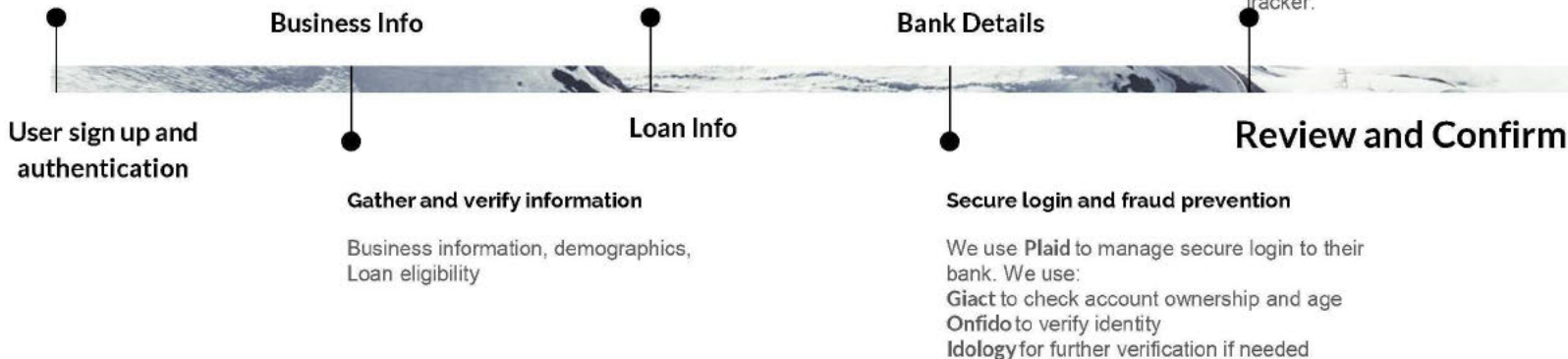
Authenticate and set up user using a series of authentication flows built to mitigate risk.

PPP Loan information

Gather details for PPP loan amount
Schedule C information

Review and Track Status

After successfully completing our extensive vetting and approval process, customers are able to track their loan with our Loan status tracker.



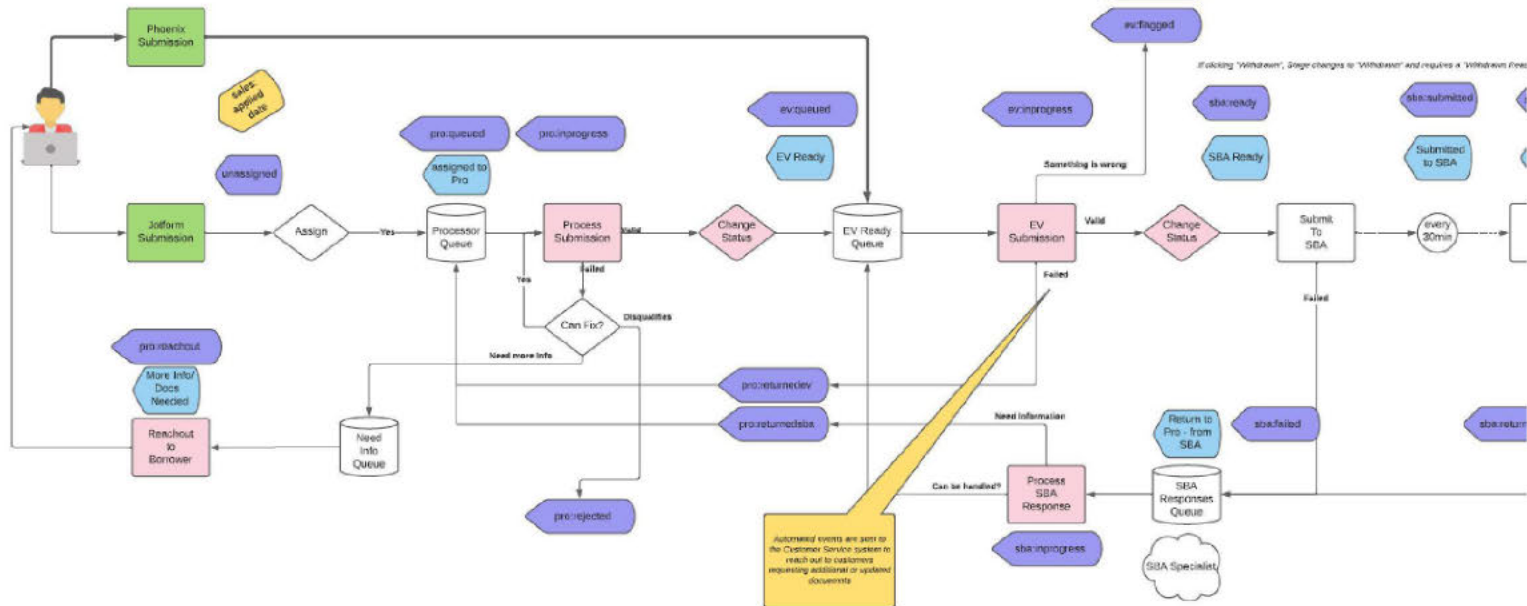
Role / User



Stage



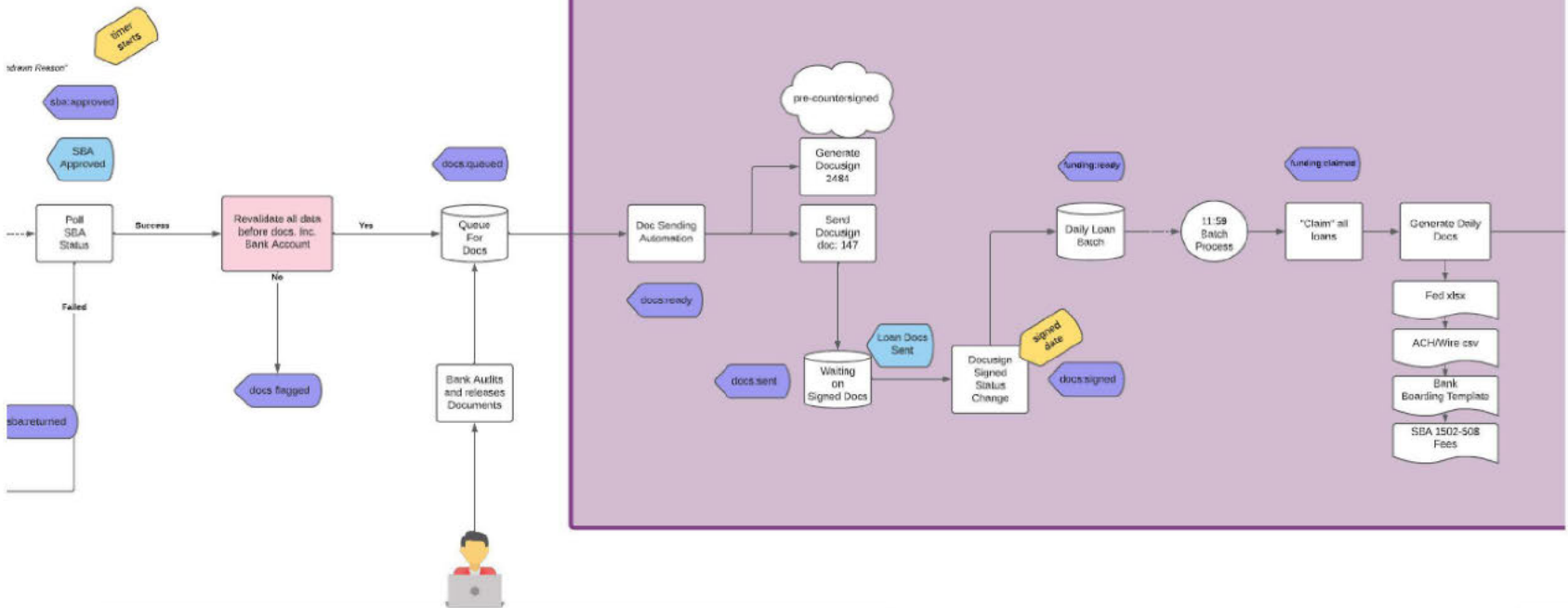
Status



Backoffice Access



This is where the Borrower gets very RESTLESS (Set Time Eg How long? What's Automate? Where do the files go

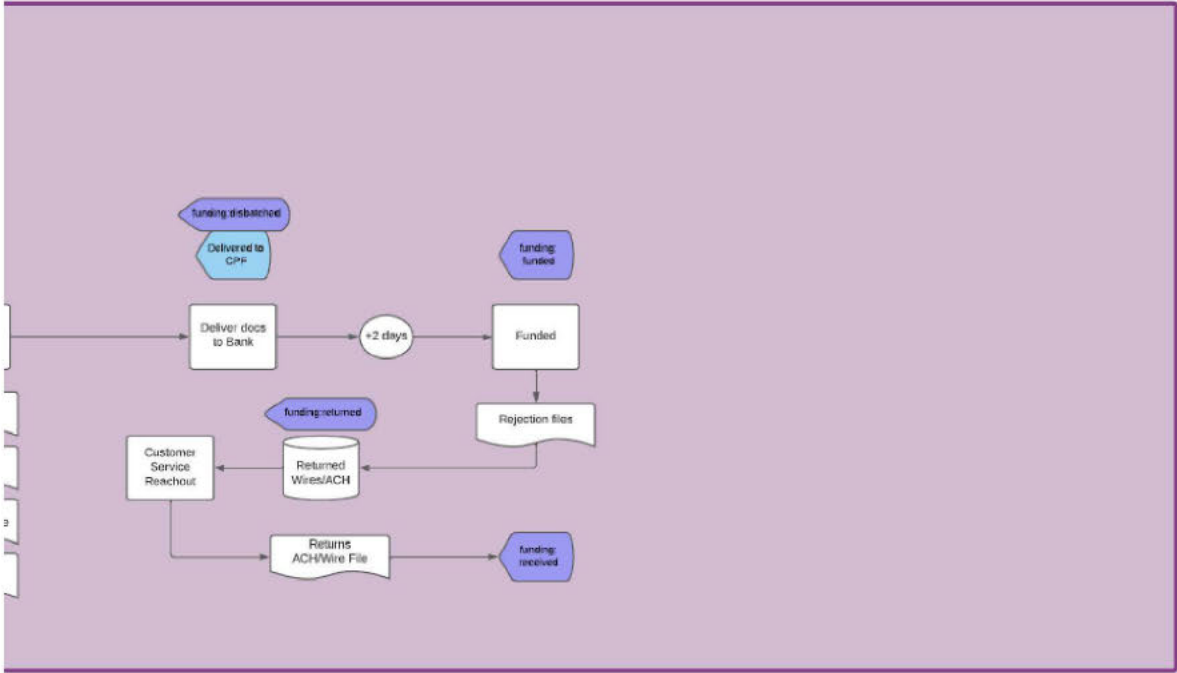


[Red box]

Funding Access



SS (Set Time Expectations)
re do the files go?



Fraud Investigation Process



Fraud Investigation Summary

Intake Sources

Borrower's Bank Fraud Officer Report
SBA Officer Report.

Post Review Steps

If Fraudulent, file SAR report and report to
OIG.
If not, remove loan flag from Salesforce,
document outcome and release funds to
borrower.

Response from Blueacorn

Automated response to indicate that report
was received and under review.

Email Flows

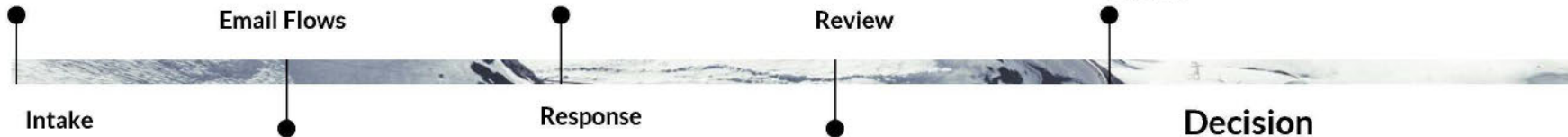
Emails Sent

Email to Capital Plus
Email to Blueacorn

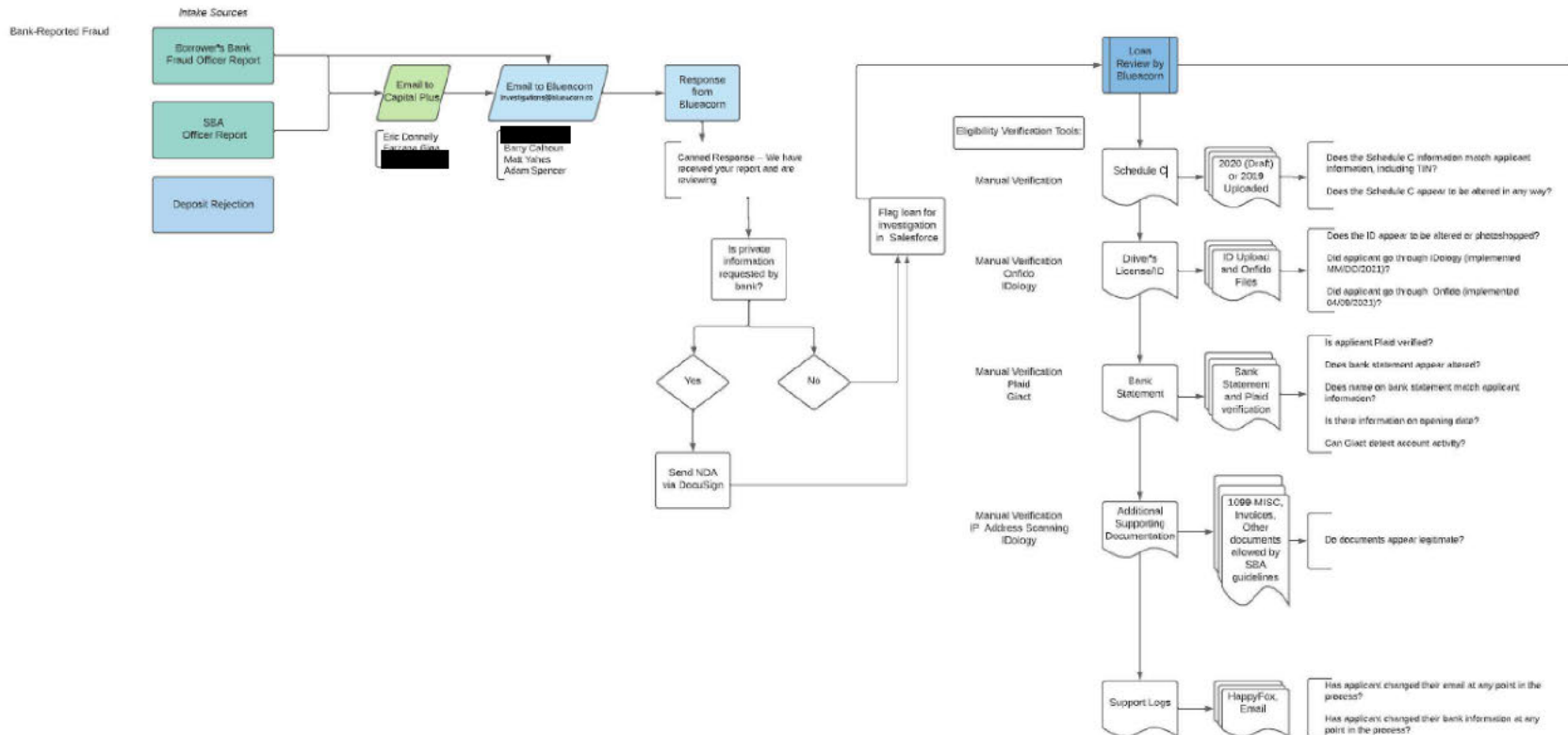
Review

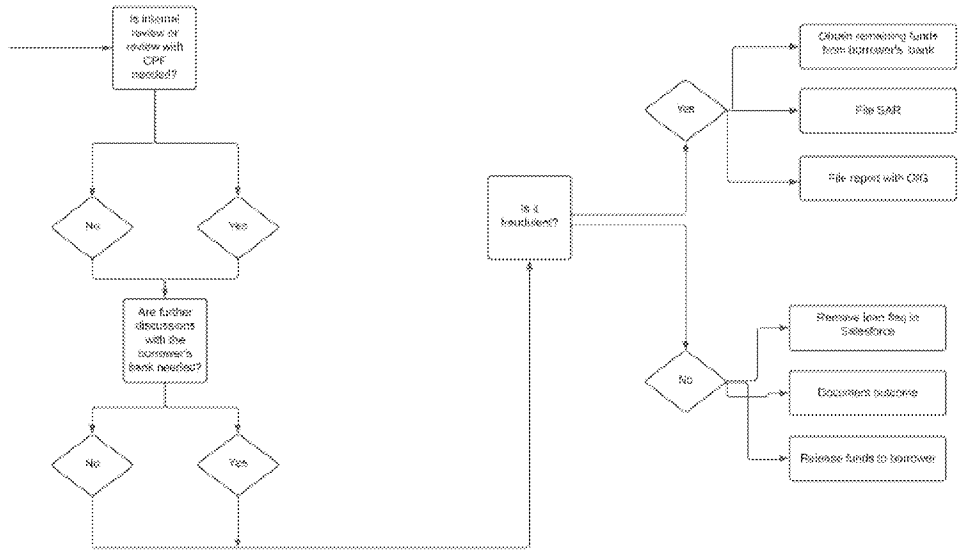
Loan Review by Blueacorn

This step includes verification with such tools
as Idology, Plaid, Giact, Onfido, and IP
address scanning.



Bluescom Fraud Process





Lender Channels



CDFI Partners



PRESTAMOS CDFI
a division of **CHICANOS POR LA CAUSA**



**Capital
Plus** Financial



Customer Support



The Big Picture

- Automated tools a dedicated support team allows for consistent support for customers thought out the process
- Live Chat Messaging and Automatic Support Help Desk Ticketing

Live Chat

Chat with blueacorn. To get the most up to date status, Text Status to 833-321-1320

Your Name

Your Email

How Can We Help?

Choose option

Start Live Chat



Customer Support Process Summary

Help Ticket

Customer fills out help ticket request online at our website



Ticket Closed

Once ticket request fulfilled it is closed by technician and confirmed by manager



Status

Filtering Based on Question Asked

Responses

Website Support

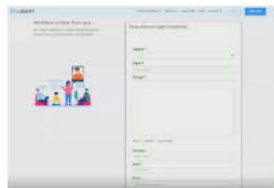
Ticket Assigned Status

Support Technician

Team Member Responds

Ticket Request Filtered to Specific Team Based Upon Category . i.e. Level 1, Level 2

Help ticket response within 24 – 48 hour turnaround

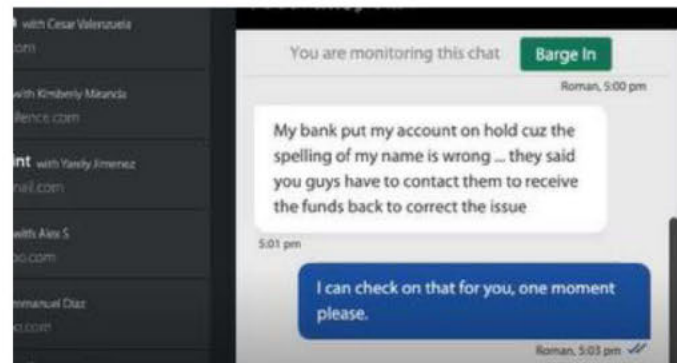
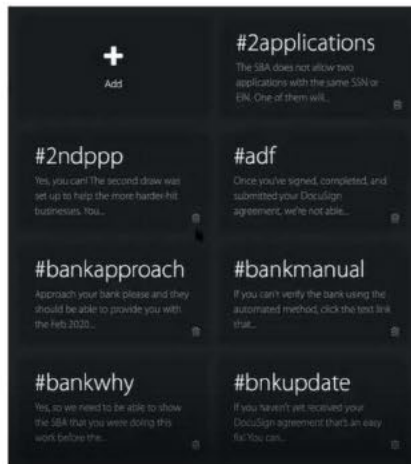
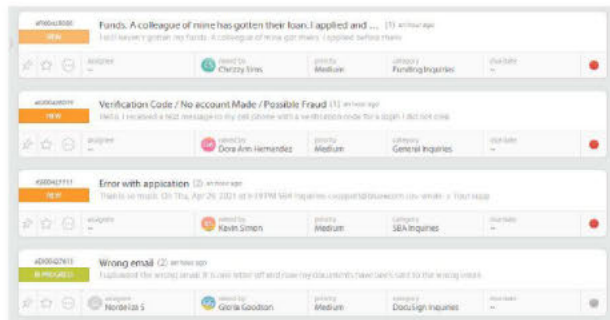


Background Processes

CS addresses wide variety of requests

Prepared responses available for team to provide consistent feedback to borrowers

Emails and Instant Messaging are issued to maintain contact with client throughout process



The Validation



Success Stories

1

██████████ – President

First Texas Bank

“What I would have given to have your outsourced underwriting and customer onboarding 4 weeks ago.”

2

██████████████████ – Vice Chairman

Dreamspring CDFI

“We need your help reaching the African American Small Business Community. We’ve haven’t figured out how to be able to market to these areas.”

3

██████████ – Customer

“Thank you, thank you Blueacorn for helping me through to a lender. I’ve been sharing my experience about Blueacorn’s streamlined process.”

4

██████████ – Customer

“I heard about your website and found out if I qualify for a \$20,000 loan! You have no idea how much this is going to help. Thank you!”



Who we support

Average Loan Size

17.3K

Average Gross Earnings

41K/Yr

Minority Representation

85%

A short horizontal bar with a teal-to-orange gradient, positioned above the main text.

Thank you.



**Paycheck Protection Program****PPP Loan Forgiveness Application Form 3508S Revised July 30, 2021****A BORROWER MAY USE THIS FORM ONLY IF THE BORROWER RECEIVED A PPP LOAN OF \$150,000 OR LESS**

Business Legal Name ("Borrower")		DBA or Tradename, if applicable	
Adam Spencer			
Business Address	NAICS Code	Business TIN (EIN, SSN, ITIN)	Business Phone
	523920		
		Primary Contact	E-mail Address
		Adam Spencer	@gmail.co

m

 First Draw PPP Loan **Second Draw PPP Loan** (check one)SBA PPP Loan Number: **4627438101**Lender PPP Loan Number: **4627438101**PPP Loan Amount: **\$20,832.00**PPP Loan Disbursement Date: **07/23/2020**

Amount of PPP Loan Increase (if applicable): _____ Date of PPP Loan Increase (if applicable): _____

Employees at Time of Loan Application: **1** Employees at Time of Forgiveness Application: **1**Covered Period: **07/23/2020** to **09/16/2020**Amount of Loan Spent on Payroll Costs: **\$16,000.00** Requested Loan Forgiveness Amount: **\$20,832.00****By Signing Below, You Make the Following Representations and Certifications on Behalf of the Borrower:**The Authorized Representative of the Borrower certifies to all of the below by **initialing** next to each one.DS
15

The Borrower has complied with all requirements in the Paycheck Protection Program Rules (Sections 7(a)(36), (7)(a)(37), and 7A of the Small Business Act, the PPP interim final rules, and guidance issued by SBA through the date of this application), including the rules related to:

- eligible uses of PPP loan proceeds;
- the amount of PPP loan proceeds that must be used for payroll costs (including proprietor expenses for Borrowers that applied for loans using SBA Forms 2483-C or 2483-SD-C);
- the calculation and documentation of the Borrower's revenue reduction (if applicable); and
- the calculation of the Borrower's Requested Loan Forgiveness Amount.

Information regarding these requirements may be found in the Form 3508S Instructions and the Paycheck Protection Program Rules.

DS
15

The information provided in this application is true and correct in all material respects. I understand that knowingly making a false statement to obtain forgiveness of an SBA-guaranteed loan is punishable under the law, including 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

Following submission of this forgiveness application, the Borrower must retain all records necessary to prove compliance with Paycheck Protection Program Rules for four years for employment records and for three years for all other records. SBA may request additional information for the purposes of evaluating the Borrower's eligibility for the PPP loan and for loan forgiveness, and the Borrower's failure to provide information requested by SBA may result in a determination that the Borrower was ineligible for the PPP loan or in a denial of the Borrower's loan forgiveness application.

The Borrower's eligibility for loan forgiveness will be evaluated in accordance with the Paycheck Protection Program Rules. SBA may direct a lender to disapprove the Borrower's loan forgiveness application if SBA determines that the Borrower was ineligible for the PPP loan.

DocuSigned by:

Signature of Authorized Representative of Borrower

8/25/2021

Date

Adam Spencer

Print Name

Sole Proprietor Title

Title



Paycheck Protection Program
PPP Loan Forgiveness Application Form 3508S Revised July 30, 2021

PPP Borrower Demographic Information Form (Optional)

Instructions

1. **Purpose.** Veteran/gender/race/ethnicity data is collected for program reporting purposes only.
2. **Description.** This form requests information about each of the Borrower's Principals. Add additional sheets if necessary.
3. **Definition of Principal.** The term "Principal" means:
 - For a self-employed individual, independent contractor, or a sole proprietor, the self-employed individual, independent contractor, or sole proprietor.
 - For a partnership, all general partners and all limited partners owning 20% or more of the equity of the Borrower, or any partner that is involved in the management of the Borrower's business.
 - For a corporation, all owners of 20% or more of the Borrower, and each officer and director.
 - For a limited liability company, all members owning 20% or more of the Borrower, and each officer and director.
 - Any individual hired by the Borrower to manage the day-to-day operations of the Borrower ("key employee").
 - Any trustor (if the Borrower is owned by a trust).
 - For a nonprofit organization, the officers and directors of the Borrower.
4. **Principal Name.** Insert the full name of the Principal.
5. **Principal Position.** Identify the Principal's position; for example, self-employed individual; independent contractor; sole proprietor; general partner; owner; officer; director; member; or key employee.

Principal Name	Principal Position
	Select Response Below:
Veteran	<input type="checkbox"/> Non-Veteran; <input type="checkbox"/> Veteran; <input type="checkbox"/> Service-Disabled Veteran; <input type="checkbox"/> Spouse of Veteran; <input type="checkbox"/> Not Disclosed
Gender	<input type="checkbox"/> Male; <input type="checkbox"/> Female; <input type="checkbox"/> Not Disclosed
Race (more than 1 may be selected)	<input type="checkbox"/> American Indian or Alaska Native; <input type="checkbox"/> Asian; <input type="checkbox"/> Black or African-American; <input type="checkbox"/> Native Hawaiian or Pacific Islander; <input type="checkbox"/> White; <input type="checkbox"/> Not Disclosed
Ethnicity	<input type="checkbox"/> Hispanic or Latino; <input type="checkbox"/> Not Hispanic or Latino; <input type="checkbox"/> Not Disclosed

Disclosure is voluntary and will have no bearing on the loan forgiveness decision

Paperwork Reduction Act – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 15 minutes. Comments about this time or the information requested should be sent to Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503. PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. VITAL CARD INC 214 W 29th St New York, NY 10001 (303) 908-0002		1 Rents	OMB No. 1545-0115	2019 Form 1099-MISC	Miscellaneous Income
		\$ 0.00	2 Royalties		
		\$ 0.00	3 Other income		
PAYER'S TIN [REDACTED]		RECIPIENT'S TIN [REDACTED]		4 Federal income tax withheld	Copy B For Recipient
RECIPIENT'S name Adam Spencer Street address (including apt. no.) [REDACTED] City or town, state or province, country, and ZIP or foreign postal code Gilbert, AZ 85234		\$ 0.00	5 Fishing boat proceeds	\$ 0.00	
Account number (see instructions) [REDACTED]		FATCA filing requirement <input type="checkbox"/>		6 Medical and health care payments	
15a Section 409A deferrals \$0.00		15b Section 409A income \$0.00		7 Nonemployee compensation	This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
				\$ 237,328.00	
				8 Substitute payments in lieu of dividends or interest	
				\$ 0.00	
				9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	
				10 Crop insurance proceeds	
				\$ 0.00	
				11	
				12	
				13 Excess golden parachute payments	
				\$ 0.00	
				14 Gross proceeds paid to an attorney	
				\$ 0.00	
				16 State tax withheld	
				\$ 0.00	
				17 State/Payer's state no.	
				\$	
				18 State income	
				\$ 0.00	
				\$	



Prestamos CDFI, LLC
SMALL BUSINESS LENDING

Package Name: Kristen Spencer

Credit Memo

Prepared: 7/20/2020 11:21 AM

Loan Number: 352292

Loan Amount: \$19,556

Owner: [REDACTED]

Analyst: [REDACTED]

Loan Amount		\$19,556.00	NAICS Code		541310 - Architectural Services
Owner		[REDACTED]	Analyst Assigned		[REDACTED]
Is this a franchise?		No	Franchise Name		
Business Name	Legal Structure	NAICS Code		Franchise	Contact Information
Kristen Spencer	Sole Proprietor	541310 - Architectural Services			[REDACTED] Mesa, AZ 85213-3235 Phone: [REDACTED] Email: [REDACTED]@gmail.com

Ownership

Owner	Title	Ownership %	Years as Owner
Kristen Spencer	Owner	100.00	1.00

Loan Terms

Prestamos (SBA - 1st Position)

Rate Type	Estimated Maturity Date	Amount	Term (months)	Amortization (months)	Interest Only Periods	Initial Rate
Fixed	7/24/2025	\$19,556.00	60	50		1.000%
Estimated Payment						
\$399.49						
SBA Guaranty (%)	SBA Guaranteed Amt (\$)	Lender Exposure (\$)	SBA Guaranty Fee (\$)	Prepayment Penalty		
100%	\$19,556.00	\$0.00	\$0.00	No		

Sources and Uses

Use of Proceeds	SBA - Prestamos	Total
Payroll Costs		\$19,556.00
Totals		\$19,556.00
Overall Contribution Percentage		100.00 %

Sources and Uses Comments

2019 1040 Schedule C line 31: 93,869

1 mo: 7,823

2.5 mo PPP: 19,556

Paycheck Protection Program

Eligibility

The applicant was in operation as of February 15, 2020.

The applicant employs 500 or fewer employees.

Maximum Loan Amount

	Amount	Loan Amount Contribution
Average Monthly Payroll	\$7,822.00	\$19,555.00
Outstanding SBA EIDL Amount	\$0.00	\$0.00
Maximum Loan Amount		\$19,555.00



JPMorgan Chase Bank, N.A.
 P O Box 182051
 Columbus, OH 43218-2051

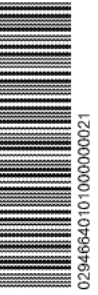
February 29, 2020 through March 31, 2020

CUSTOMER SERVICE INFORMATION

Web site: **Chase.com**
 Service Center: **1-800-242-7338**
 Deaf and Hard of Hearing: **1-800-242-7383**
 Para Espanol: **1-888-622-4273**
 International Calls: **1-713-262-1679**

00294664 DRE 201 219 09220 NNNNNNNNNN 1 000000000 69 0000

KRISTEN SPENCER
 DBA SWEET P DESIGNS



CHECKING SUMMARY

Chase Total Business Checking

	INSTANCES	AMOUNT
Beginning Balance		-\$133.38
Electronic Withdrawals	1	-75.85
Fees	2	-46.00
Ending Balance	3	-\$255.23

ELECTRONIC WITHDRAWALS

FEES

DATE	DESCRIPTION	AMOUNT
03/02	Insufficient Funds Fee For A \$75.85 Item - Details: Bankcard 422369924000030 CCD ID: 6895422369	Mtot Disc \$34.00
03/31	Monthly Service Fee	12.00
Total Fees		\$46.00

You were charged a monthly service fee of \$12.00 this period. You can avoid this fee in the future by maintaining a minimum daily balance of \$1,500.00. Your minimum daily balance was -\$243.23.

DAILY ENDING BALANCE

DATE	AMOUNT
03/02	-\$243.23
03/31	-255.23

SERVICE CHARGE SUMMARY

TRANSACTIONS FOR SERVICE FEE CALCULATION	NUMBER OF TRANSACTIONS
Checks Paid / Debits	1
Deposits / Credits	0
Deposited Items	0
Transaction Total	1



SERVICE CHARGE SUMMARY (continued)

SERVICE FEE CALCULATION	AMOUNT
Service Fee	\$12.00
Service Fee Credit	\$0.00
Net Service Fee	\$12.00
Excessive Transaction Fees (Above 100)	\$0.00
Total Service Fees	\$12.00

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUNDS TRANSFERS: Call us at 1-866-564-2262 or write us at the address on the front of this statement (non-personal accounts contact Customer Service) immediately if you think your statement or receipt is incorrect or if you need more information about a transfer listed on the statement or receipt.

For personal accounts only: We must hear from you no later than 60 days after we sent you the FIRST statement on which the problem or error appeared. Be prepared to give us the following information:

- Your name and account number
- The dollar amount of the suspected error
- A description of the error or transfer you are unsure of, why you believe it is an error, or why you need more information.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days (or 20 business days for new accounts) to do this, we will credit your account for the amount you think is in error so that you will have use of the money during the time it takes us to complete our investigation

IN CASE OF ERRORS OR QUESTIONS ABOUT NON-ELECTRONIC TRANSACTIONS: Contact the bank immediately if your statement is incorrect or if you need more information about any non-electronic transactions (checks or deposits) on this statement. If any such error appears, you must notify the bank in writing no later than 30 days after the statement was made available to you. For more complete details, see the Account Rules and Regulations or other applicable account agreement that governs your account. Deposit products and services are offered by JPMorgan Chase Bank, N.A. Member FDIC



JPMorgan Chase Bank, N.A. Member FDIC

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. VITAL CARD INC 214 W 29TH STREET New York, NY 10001 303-908-0002		1 Rents \$ 0.00	OMB No. 1545-0115 2019		Miscellaneous Income
		2 Royalties \$ 0.00	Form 1099-MISC		
		3 Other income \$ 0.00	4 Federal income tax withheld \$ 0.00	Copy B For Recipient	
PAYER'S TIN [REDACTED]	RECIPIENT'S TIN [REDACTED]	5 Fishing boat proceeds \$ 0.00	6 Medical and health care payments \$ 0.00		
RECIPIENT'S name SWEET P DESIGNS Street address (including apt. no.) [REDACTED] City or town, state or province, country, and ZIP or foreign postal code Gilbert, AZ 85234		7 Nonemployee compensation \$ 189,332.00	8 Substitute payments in lieu of dividends or interest \$ 0.00	This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.	
		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	10 Crop insurance proceeds \$ 0.00		
		11	12		
Account number (see instructions)	FATCA filing requirement <input type="checkbox"/>	13 Excess golden parachute payments \$ 0.00	14 Gross proceeds paid to an attorney \$ 0.00		
15a Section 409A deferrals \$0.00	15b Section 409A income \$0.00	16 State tax withheld \$ 0.00	17 State/Payer's state no.	18 State income \$ 0.00	

Form 1099-MISC

(keep for your records)

www.irs.gov/Form1099MISC

Department of the Treasury - Internal Revenue Service

SCHEDULE C
(Form 1040 or 1040-SR)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2019

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

▶ Go to www.irs.gov/ScheduleC for instructions and the latest information.

▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor Kristen Spencer	Social security number (SSN) [REDACTED]
A Principal business or profession, including product or service (see instructions) Interior Architect	B Enter code from instructions ▶ 5 4 1 3 1 0
C Business name. If no separate business name, leave blank. Sweat P Designs	D Employer ID number (EIN) (see instr.) [REDACTED]
E Business address (including suite or room no.) ▶ [REDACTED] City, town or post office, state, and ZIP code [REDACTED]	
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶ _____	
G Did you "materially participate" in the operation of this business during 2019? If "No," see instructions for limit on losses <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
H If you started or acquired this business during 2019, check here <input type="checkbox"/>	
I Did you make any payments in 2019 that would require you to file Form(s) 1099? (see instructions) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
J If "Yes," did you or will you file required Forms 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No	

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked <input type="checkbox"/>	1	189,322.00
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	189,322.00
4 Cost of goods sold (from line 42)	4	63,289.00
5 Gross profit. Subtract line 4 from line 3	5	126,013.00
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6	7	126,013.00

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8	4,640.00	18 Office expense (see instructions)	18	21,090.00
9 Car and truck expenses (see instructions)	9		19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		21 Repairs and maintenance	21	
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	1,611.00
15 Insurance (other than health)	15		23 Taxes and licenses	23	
16 Interest (see instructions):			24 Travel and meals:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	2,065.00
b Other	16b		b Deductible meals (see instructions)	24b	
17 Legal and professional services	17		25 Utilities	25	2,738.00
			26 Wages (less employment credits)	26	
			27a Other expenses (from line 48)	27a	
			b Reserved for future use	27b	

28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28	32,114.00
29 Tentative profit or (loss). Subtract line 28 from line 7	29	93,869.00

30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions).
Simplified method filers only: enter the total square footage of: (a) your home: _____
and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30

	30	0
--	-----------	---

31 **Net profit or (loss).** Subtract line 30 from line 29.

- If a profit, enter on both **Schedule 1 (Form 1040 or 1040-SR), line 3** (or **Form 1040-NR, line 13**) and on **Schedule SE, line 2**. (If you checked the box on line 1, see instructions). Estates and trusts, enter on **Form 1041, line 3**.
- If a loss, you **must** go to line 32.

	31	93,869.00
--	-----------	-----------

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

- If you checked 32a, enter the loss on both **Schedule 1 (Form 1040 or 1040-SR), line 3** (or **Form 1040-NR, line 13**) and on **Schedule SE, line 2**. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on **Form 1041, line 3**.
- If you checked 32b, you **must** attach **Form 6198**. Your loss may be limited.

32a <input checked="" type="checkbox"/> All investment is at risk.		
32b <input type="checkbox"/> Some investment is not at risk.		

Part III Cost of Goods Sold (see instructions)

33 Method(s) used to value closing inventory: **a** Cost **b** Lower of cost or market **c** Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? Yes No
If "Yes," attach explanation

35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35	
36 Purchases less cost of items withdrawn for personal use	36	
37 Cost of labor. Do not include any amounts paid to yourself	37	
38 Materials and supplies	38	
39 Other costs	39	
40 Add lines 35 through 39	40	
41 Inventory at end of year	41	
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4	42	

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ _____ / _____ / _____

44 Of the total number of miles you drove your vehicle during 2019, enter the number of miles you used your vehicle for:

a Business _____ **b** Commuting (see instructions) _____ **c** Other _____

45 Was your vehicle available for personal use during off-duty hours? Yes No

46 Do you (or your spouse) have another vehicle available for personal use?. Yes No

47a Do you have evidence to support your deduction? Yes No

b If "Yes," is the evidence written? Yes No

Part V Other Expenses. List below business expenses not included on lines 8–26 or line 30.

48 Total other expenses. Enter here and on line 27a	48



Paycheck Protection Program Borrower Application Form

OMB Control No.: 3245-0407
Expiration Date: 09/30/2020

Check One: <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input checked="" type="checkbox"/> LLC <input type="checkbox"/> Independent contractor <input type="checkbox"/> Eligible self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Tribal business (sec. 31(b)(2)(C) of Small Business Act) <input type="checkbox"/> Other		DBA or Tradename if Applicable	
Business Legal Name			
Body Politix, LLC			
Business Address		Business TIN (EIN, SSN)	Business Phone
[REDACTED]		[REDACTED]	[REDACTED]
Scottsdale Arizona, 85251		Primary Contact	Email Address
		Stephanie Hockridge	[REDACTED]@gmail.com
Average Monthly Payroll:	\$	x 2.5 – EIDL, Net of Advance (if Applicable) Equals Loan Request:	Number of Employees:
	\$8,333.00		1
Purpose of the loan (select more than one): <input checked="" type="checkbox"/> Payroll <input checked="" type="checkbox"/> Lease / Mortgage Interest <input checked="" type="checkbox"/> Utilities <input type="checkbox"/> Other (explain): _____			

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address
Stephanie Hockridge	Owner	100%	[REDACTED]	Scottsdale, Arizona 85251

If questions (1) or (2) below are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is currently delinquent or has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management with, any other business? If yes, list all such businesses and describe the relationship on a separate sheet identified as addendum A.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Has the Applicant received an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B.	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If questions (5) or (6) are answered "Yes," the loan will not be approved.

Question	Yes	No
5. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction, or presently incarcerated, or on probation or parole? Initial here to confirm your response to question 5 → <u>SH</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Within the last 5 years, for any felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; 4) been placed on pretrial diversion; or 5) been placed on any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 6 → <u>SH</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7. Is the United States the principal place of residence for all employees of the Applicant included in the Applicant's payroll calculation above?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Is the Applicant a franchise that is listed in the SBA's Franchise Directory?	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Paycheck Protection Program Borrower Application Form

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

CERTIFICATIONS AND AUTHORIZATIONS

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (the Paycheck Protection Program Rule).
- The Applicant (1) is an independent contractor, eligible self-employed individual, or sole proprietor or (2) employs no more than the greater of 500 or employees or, if applicable, the size standard in number of employees established by the SBA in 13 C.F.R. 121.201 for the Applicant's industry.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All SBA loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rule.
- To the extent feasible, I will purchase only American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.
- Any loan received by the Applicant under Section 7(b)(2) of the Small Business Act between January 31, 2020 and April 3, 2020 was for a purpose other than paying payroll costs and other allowable uses loans under the Paycheck Protection Program Rule.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

CERTIFICATIONS

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

SH The Applicant was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.

SH Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.

SH The funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.

SH The Applicant will provide to the Lender documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight-week period following this loan.

SH I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities, and not more than 25% of the forgiven amount may be for non-payroll costs.

SH During the period beginning on February 15, 2020 and ending on December 31, 2020, the Applicant has not and will not receive another loan under the Paycheck Protection Program.

SH I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

SH I acknowledge that the lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.


Signature of Authorized Representative of Applicant

Stephanie Hockridge
Print Name

06/19/2020
Date

Owner
Title



Paycheck Protection Program Borrower Application Form

Purpose of this form:

This form is to be completed by the authorized representative of the Applicant and *submitted to your SBA Participating Lender*. Submission of the requested information is required to make a determination regarding eligibility for financial assistance. Failure to submit the information would affect that determination.

Instructions for completing this form:

With respect to “purpose of the loan,” payroll costs consist of compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums, and retirement; payment of state and local taxes assessed on compensation of employees; and for an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation.

For purposes of calculating “Average Monthly Payroll,” most Applicants will use the average monthly payroll for 2019, excluding costs over \$100,000 on an annualized basis for each employee. For seasonal businesses, the Applicant may elect to instead use average monthly payroll for the time period between February 15, 2019 and June 30, 2019, excluding costs over \$100,000 on an annualized basis for each employee. For new businesses, average monthly payroll may be calculated using the time period from January 1, 2020 to February 29, 2020, excluding costs over \$100,000 on an annualized basis for each employee.

If Applicant is refinancing an Economic Injury Disaster Loan (EIDL): Add the outstanding amount of an EIDL made between January 31, 2020 and April 3, 2020, less the amount of any “advance” under an EIDL COVID-19 loan, to Loan Request as indicated on the form.

All parties listed below are considered owners of the Applicant as defined in 13 CFR § 120.10, as well as “principals”:

- For a sole proprietorship, the sole proprietor;
- For a partnership, all general partners, and all limited partners owning 20% or more of the equity of the firm;
- For a corporation, all owners of 20% or more of the corporation;
- For limited liability companies, all members owning 20% or more of the company; and
- Any Trustor (if the Applicant is owned by a trust).

Paperwork Reduction Act – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 8 minutes. Comments about this time or the information requested should be sent to : Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416., and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503.

Privacy Act (5 U.S.C. 552a) – Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. (But see Debt Collection Notice regarding taxpayer identification number below.) Disclosures of name and other personal identifiers are required to provide SBA with sufficient information to make a character determination. When evaluating character, SBA considers the person’s integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 USC Section 636(a)(1)(B) of the Small Business Act (the Act).

Disclosure of Information – Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act. The Privacy Act authorizes SBA to make certain “routine uses” of information protected by that Act. One such routine use is the disclosure of information maintained in SBA’s system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies’ function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses. In addition, the CARES Act, requires SBA to register every loan made under the Paycheck Protection Act using the Taxpayer Identification Number (TIN) assigned to the borrower.

Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles) – SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice, or (6) foreclose on collateral or take other action permitted in the loan instruments.

Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) – The Right to Financial Privacy Act of 1978, grants SBA access rights to financial records held by financial institutions that are or have been doing business with you or your business including any financial



Paycheck Protection Program Borrower Application Form

institutions participating in a loan or loan guaranty. SBA is only required provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records. SBA's access rights continue for the term of any approved loan guaranty agreement. SBA is also authorized to transfer to another Government authority any financial records concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.

Freedom of Information Act (5 U.S.C. 552) – Subject to certain exceptions, SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that will be automatically released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers (and their officers, directors, stockholders or partners), the collateral pledged to secure the loan, the amount of the loan, its purpose in general terms and the maturity. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

Occupational Safety and Health Act (15 U.S.C. 651 et seq.) – The Occupational Safety and Health Administration (OSHA) can require businesses to modify facilities and procedures to protect employees. Businesses that do not comply may be fined, forced to cease operations, or prevented from starting operations. Signing this form is certification that the applicant, to the best of its knowledge, is in compliance with the applicable OSHA requirements, and will remain in compliance during the life of the loan.

Civil Rights (13 C.F.R. 112, 113, 117) – All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. All borrowers must display the "Equal Employment Opportunity Poster" prescribed by SBA.

Equal Credit Opportunity Act (15 U.S.C. 1691) – Creditors are prohibited from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

Debarment and Suspension Executive Order 12549; (2 CFR Part 180 and Part 2700) – By submitting this loan application, you certify that neither the Applicant or any owner of the Applicant have within the past three years been: (a) debarred, suspended, declared ineligible or voluntarily excluded from participation in a transaction by any Federal Agency; (b) formally proposed for debarment, with a final determination still pending; (c) indicted, convicted, or had a civil judgment rendered against you for any of the offenses listed in the regulations or (d) delinquent on any amounts owed to the U.S. Government or its instrumentalities as of the date of execution of this certification.



Paycheck Protection Program Borrower Application Form

OMB Control No.: 3245-0407
Expiration Date: 09/30/2020

Check One: <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input checked="" type="checkbox"/> LLC <input type="checkbox"/> Independent contractor <input type="checkbox"/> Eligible self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Tribal business (sec. 31(b)(2)(C) of Small Business Act) <input type="checkbox"/> Other		DBA or Tradename if Applicable	
Business Legal Name			
Elev8 Advisors Group LLC			
Business Address		Business TIN (EIN, SSN)	Business Phone
[REDACTED]		[REDACTED]	[REDACTED]
Mesa Arizona, 85213		Primary Contact	Email Address
		Adam Spencer	[REDACTED]@elev8withus.com
Average Monthly Payroll:	\$ 15,391.66	x 2.5 – EIDL, Net of Advance (if Applicable) Equals Loan Request:	\$ 38,479.16
		Number of Employees:	1
Purpose of the loan (select more than one):			
<input checked="" type="checkbox"/> Payroll <input checked="" type="checkbox"/> Lease / Mortgage Interest <input checked="" type="checkbox"/> Utilities <input type="checkbox"/> Other (explain): _____			

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address
Kristen Spencer	Partner	50%	[REDACTED]	Mesa, Arizona 85213
Adam Spencer	Partner	50%	[REDACTED]	Mesa, Arizona 85213

If questions (1) or (2) below are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is currently delinquent or has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management with, any other business? If yes, list all such businesses and describe the relationship on a separate sheet identified as addendum A.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Has the Applicant received an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B.	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If questions (5) or (6) are answered "Yes," the loan will not be approved.

Question	Yes	No
5. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction, or presently incarcerated, or on probation or parole? Initial here to confirm your response to question 5 → <u>AS</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Within the last 5 years, for any felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; 4) been placed on pretrial diversion; or 5) been placed on any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 6 → <u>AS</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7. Is the United States the principal place of residence for all employees of the Applicant included in the Applicant's payroll calculation above?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Is the Applicant a franchise that is listed in the SBA's Franchise Directory?	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Paycheck Protection Program Borrower Application Form

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

CERTIFICATIONS AND AUTHORIZATIONS

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (the Paycheck Protection Program Rule).
- The Applicant (1) is an independent contractor, eligible self-employed individual, or sole proprietor or (2) employs no more than the greater of 500 or employees or, if applicable, the size standard in number of employees established by the SBA in 13 C.F.R. 121.201 for the Applicant's industry.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All SBA loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rule.
- To the extent feasible, I will purchase only American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.
- Any loan received by the Applicant under Section 7(b)(2) of the Small Business Act between January 31, 2020 and April 3, 2020 was for a purpose other than paying payroll costs and other allowable uses loans under the Paycheck Protection Program Rule.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

CERTIFICATIONS

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

AS The Applicant was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.

AS Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.

AS The funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.

AS The Applicant will provide to the Lender documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight-week period following this loan.

AS I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities, and not more than 25% of the forgiven amount may be for non-payroll costs.

AS During the period beginning on February 15, 2020 and ending on December 31, 2020, the Applicant has not and will not receive another loan under the Paycheck Protection Program.

AS I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

AS I acknowledge that the lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.



Signature of Authorized Representative of Applicant

Adam Spencer

Print Name

06/26/2020

Date

Managing Partner

Title



Paycheck Protection Program Borrower Application Form

Purpose of this form:

This form is to be completed by the authorized representative of the Applicant and *submitted to your SBA Participating Lender*. Submission of the requested information is required to make a determination regarding eligibility for financial assistance. Failure to submit the information would affect that determination.

Instructions for completing this form:

With respect to “purpose of the loan,” payroll costs consist of compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums, and retirement; payment of state and local taxes assessed on compensation of employees; and for an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation.

For purposes of calculating “Average Monthly Payroll,” most Applicants will use the average monthly payroll for 2019, excluding costs over \$100,000 on an annualized basis for each employee. For seasonal businesses, the Applicant may elect to instead use average monthly payroll for the time period between February 15, 2019 and June 30, 2019, excluding costs over \$100,000 on an annualized basis for each employee. For new businesses, average monthly payroll may be calculated using the time period from January 1, 2020 to February 29, 2020, excluding costs over \$100,000 on an annualized basis for each employee.

If Applicant is refinancing an Economic Injury Disaster Loan (EIDL): Add the outstanding amount of an EIDL made between January 31, 2020 and April 3, 2020, less the amount of any “advance” under an EIDL COVID-19 loan, to Loan Request as indicated on the form.

All parties listed below are considered owners of the Applicant as defined in 13 CFR § 120.10, as well as “principals”:

- For a sole proprietorship, the sole proprietor;
- For a partnership, all general partners, and all limited partners owning 20% or more of the equity of the firm;
- For a corporation, all owners of 20% or more of the corporation;
- For limited liability companies, all members owning 20% or more of the company; and
- Any Trustor (if the Applicant is owned by a trust).

Paperwork Reduction Act – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 8 minutes. Comments about this time or the information requested should be sent to : Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416., and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503.

Privacy Act (5 U.S.C. 552a) – Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. (But see Debt Collection Notice regarding taxpayer identification number below.) Disclosures of name and other personal identifiers are required to provide SBA with sufficient information to make a character determination. When evaluating character, SBA considers the person’s integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 USC Section 636(a)(1)(B) of the Small Business Act (the Act).

Disclosure of Information – Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act. The Privacy Act authorizes SBA to make certain “routine uses” of information protected by that Act. One such routine use is the disclosure of information maintained in SBA’s system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies’ function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses. In addition, the CARES Act, requires SBA to register every loan made under the Paycheck Protection Act using the Taxpayer Identification Number (TIN) assigned to the borrower.

Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles) – SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice, or (6) foreclose on collateral or take other action permitted in the loan instruments.

Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) – The Right to Financial Privacy Act of 1978, grants SBA access rights to financial records held by financial institutions that are or have been doing business with you or your business including any financial



Paycheck Protection Program Borrower Application Form

institutions participating in a loan or loan guaranty. SBA is only required provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records. SBA's access rights continue for the term of any approved loan guaranty agreement. SBA is also authorized to transfer to another Government authority any financial records concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.

Freedom of Information Act (5 U.S.C. 552) – Subject to certain exceptions, SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that will be automatically released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers (and their officers, directors, stockholders or partners), the collateral pledged to secure the loan, the amount of the loan, its purpose in general terms and the maturity. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

Occupational Safety and Health Act (15 U.S.C. 651 et seq.) – The Occupational Safety and Health Administration (OSHA) can require businesses to modify facilities and procedures to protect employees. Businesses that do not comply may be fined, forced to cease operations, or prevented from starting operations. Signing this form is certification that the applicant, to the best of its knowledge, is in compliance with the applicable OSHA requirements, and will remain in compliance during the life of the loan.

Civil Rights (13 C.F.R. 112, 113, 117) – All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. All borrowers must display the "Equal Employment Opportunity Poster" prescribed by SBA.

Equal Credit Opportunity Act (15 U.S.C. 1691) – Creditors are prohibited from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

Debarment and Suspension Executive Order 12549; (2 CFR Part 180 and Part 2700) – By submitting this loan application, you certify that neither the Applicant or any owner of the Applicant have within the past three years been: (a) debarred, suspended, declared ineligible or voluntarily excluded from participation in a transaction by any Federal Agency; (b) formally proposed for debarment, with a final determination still pending; (c) indicted, convicted, or had a civil judgment rendered against you for any of the offenses listed in the regulations or (d) delinquent on any amounts owed to the U.S. Government or its instrumentalities as of the date of execution of this certification.



Paycheck Protection Program Borrower Application Form

OMB Control No.: 3245-0407
Expiration Date: 09/30/2020

Check One: <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input checked="" type="checkbox"/> LLC <input type="checkbox"/> Independent contractor <input type="checkbox"/> Eligible self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Tribal business (sec. 31(b)(2)(C) of Small Business Act) <input type="checkbox"/> Other		DBA or Tradename if Applicable	
Business Legal Name			
Juuice, LLC			
Business Address		Business TIN (EIN, SSN)	Business Phone
[REDACTED]		[REDACTED]	[REDACTED]
Scottsdale Arizona, 85251		Primary Contact	Email Address
		Nathan Reis	[REDACTED]@juuice.com
Average Monthly Payroll:	\$	x 2.5 - EIDL, Net of Advance (if Applicable) Equals Loan Request:	\$
	\$8,333.00		\$20,832.00
		Number of Employees:	1
Purpose of the loan (select more than one):			
<input checked="" type="checkbox"/> Payroll <input checked="" type="checkbox"/> Lease / Mortgage Interest <input checked="" type="checkbox"/> Utilities <input type="checkbox"/> Other (explain): _____			

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address
Nathan Reis	Owner	100%	[REDACTED]	[REDACTED] Scottsdale, Arizona 85251

If questions (1) or (2) below are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is currently delinquent or has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management with, any other business? If yes, list all such businesses and describe the relationship on a separate sheet identified as addendum A.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Has the Applicant received an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B.	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If questions (5) or (6) are answered "Yes," the loan will not be approved.

Question	Yes	No
5. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction, or presently incarcerated, or on probation or parole? Initial here to confirm your response to question 5 → <u>NR</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Within the last 5 years, for any felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; 4) been placed on pretrial diversion; or 5) been placed on any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 6 → <u>NR</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7. Is the United States the principal place of residence for all employees of the Applicant included in the Applicant's payroll calculation above?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Is the Applicant a franchise that is listed in the SBA's Franchise Directory?	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Paycheck Protection Program Borrower Application Form

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

CERTIFICATIONS AND AUTHORIZATIONS

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (the Paycheck Protection Program Rule).
- The Applicant (1) is an independent contractor, eligible self-employed individual, or sole proprietor or (2) employs no more than the greater of 500 or employees or, if applicable, the size standard in number of employees established by the SBA in 13 C.F.R. 121.201 for the Applicant's industry.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All SBA loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rule.
- To the extent feasible, I will purchase only American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.
- Any loan received by the Applicant under Section 7(b)(2) of the Small Business Act between January 31, 2020 and April 3, 2020 was for a purpose other than paying payroll costs and other allowable uses loans under the Paycheck Protection Program Rule.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

CERTIFICATIONS

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

NR The Applicant was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.

NR Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.

NR The funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.

NR The Applicant will provide to the Lender documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight-week period following this loan.

NR I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities, and not more than 25% of the forgiven amount may be for non-payroll costs.

NR During the period beginning on February 15, 2020 and ending on December 31, 2020, the Applicant has not and will not receive another loan under the Paycheck Protection Program.

NR I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

NR I acknowledge that the lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

Signature of Authorized Representative of Applicant

Nathan Reis
Print Name

06/17/2020

Date

Manager
Title



Paycheck Protection Program Borrower Application Form

Purpose of this form:

This form is to be completed by the authorized representative of the Applicant and *submitted to your SBA Participating Lender*. Submission of the requested information is required to make a determination regarding eligibility for financial assistance. Failure to submit the information would affect that determination.

Instructions for completing this form:

With respect to “purpose of the loan,” payroll costs consist of compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave; allowance for separation or dismissal; payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums, and retirement; payment of state and local taxes assessed on compensation of employees; and for an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation.

For purposes of calculating “Average Monthly Payroll,” most Applicants will use the average monthly payroll for 2019, excluding costs over \$100,000 on an annualized basis for each employee. For seasonal businesses, the Applicant may elect to instead use average monthly payroll for the time period between February 15, 2019 and June 30, 2019, excluding costs over \$100,000 on an annualized basis for each employee. For new businesses, average monthly payroll may be calculated using the time period from January 1, 2020 to February 29, 2020, excluding costs over \$100,000 on an annualized basis for each employee.

If Applicant is refinancing an Economic Injury Disaster Loan (EIDL): Add the outstanding amount of an EIDL made between January 31, 2020 and April 3, 2020, less the amount of any “advance” under an EIDL COVID-19 loan, to Loan Request as indicated on the form.

All parties listed below are considered owners of the Applicant as defined in 13 CFR § 120.10, as well as “principals”:

- For a sole proprietorship, the sole proprietor;
- For a partnership, all general partners, and all limited partners owning 20% or more of the equity of the firm;
- For a corporation, all owners of 20% or more of the corporation;
- For limited liability companies, all members owning 20% or more of the company; and
- Any Trustor (if the Applicant is owned by a trust).

Paperwork Reduction Act – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 8 minutes. Comments about this time or the information requested should be sent to : Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416., and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503.

Privacy Act (5 U.S.C. 552a) – Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. (But see Debt Collection Notice regarding taxpayer identification number below.) Disclosures of name and other personal identifiers are required to provide SBA with sufficient information to make a character determination. When evaluating character, SBA considers the person’s integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 USC Section 636(a)(1)(B) of the Small Business Act (the Act).

Disclosure of Information – Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act. The Privacy Act authorizes SBA to make certain “routine uses” of information protected by that Act. One such routine use is the disclosure of information maintained in SBA’s system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies’ function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses. In addition, the CARES Act, requires SBA to register every loan made under the Paycheck Protection Act using the Taxpayer Identification Number (TIN) assigned to the borrower.

Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles) – SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice, or (6) foreclose on collateral or take other action permitted in the loan instruments.

Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) – The Right to Financial Privacy Act of 1978, grants SBA access rights to financial records held by financial institutions that are or have been doing business with you or your business including any financial



Paycheck Protection Program Borrower Application Form

institutions participating in a loan or loan guaranty. SBA is only required provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records. SBA's access rights continue for the term of any approved loan guaranty agreement. SBA is also authorized to transfer to another Government authority any financial records concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.

Freedom of Information Act (5 U.S.C. 552) – Subject to certain exceptions, SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that will be automatically released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers (and their officers, directors, stockholders or partners), the collateral pledged to secure the loan, the amount of the loan, its purpose in general terms and the maturity. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

Occupational Safety and Health Act (15 U.S.C. 651 et seq.) – The Occupational Safety and Health Administration (OSHA) can require businesses to modify facilities and procedures to protect employees. Businesses that do not comply may be fined, forced to cease operations, or prevented from starting operations. Signing this form is certification that the applicant, to the best of its knowledge, is in compliance with the applicable OSHA requirements, and will remain in compliance during the life of the loan.

Civil Rights (13 C.F.R. 112, 113, 117) – All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. All borrowers must display the "Equal Employment Opportunity Poster" prescribed by SBA.

Equal Credit Opportunity Act (15 U.S.C. 1691) – Creditors are prohibited from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

Debarment and Suspension Executive Order 12549; (2 CFR Part 180 and Part 2700) – By submitting this loan application, you certify that neither the Applicant or any owner of the Applicant have within the past three years been: (a) debarred, suspended, declared ineligible or voluntarily excluded from participation in a transaction by any Federal Agency; (b) formally proposed for debarment, with a final determination still pending; (c) indicted, convicted, or had a civil judgment rendered against you for any of the offenses listed in the regulations or (d) delinquent on any amounts owed to the U.S. Government or its instrumentalities as of the date of execution of this certification.



**Paycheck Protection Program
Second Draw Borrower Application Form**

OMB Control No.: 3245-0417
Expiration Date: 7/31/2021

Check One: <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input checked="" type="checkbox"/> LLC <input type="checkbox"/> Independent Contractor <input type="checkbox"/> Self-Employed Individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal Business <input type="checkbox"/> Other		DBA or Tradename (if applicable)	Year of Establishment (if applicable) 2017
Business Legal Name Juuice, LLC		NAICS Code 541870	
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed) [REDACTED] Scottsdale, AZ 85251-1227		Business TIN (EIN, SSN) [REDACTED]	Business Phone [REDACTED]
		Primary Contact Nathan Reis	Email Address [REDACTED]@juuice.com
Average Monthly Payroll:	\$ 8,333.00	x 2.5 (or x 3.5 for NAICS 72 applicants) equals Loan Request Amount (may not exceed \$2,000,000):	\$ 20,832.00
Purpose of the loan (select all that apply):	<input checked="" type="checkbox"/> Payroll Costs	<input type="checkbox"/> Rent / Mortgage Interest	<input type="checkbox"/> Utilities
	<input type="checkbox"/> Covered Property Damage	<input type="checkbox"/> Covered Supplier Costs	<input type="checkbox"/> Covered Worker Protection Expenditures
PPP First Draw SBA Loan Number:	90552379-06		
Reduction in Gross Receipts of at Least 25% (Applicants for loans of \$150,000 or less may leave blank but must provide upon or before seeking loan forgiveness or upon SBA request):	2020 Quarter (e.g., 2Q 2020):	Reference Quarter (e.g., 2Q 2019):	
	Gross Receipts:	\$	Gross Receipts \$

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address
Nathan Reis	Managing Member	100.00%	[REDACTED]	Scottsdale, AZ 85251-1227

If questions (1), (2), (4), or (5) are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?		X
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?		X
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management (including a management agreement) with any other business? If yes, list all such businesses (including their TINs if available) and describe the relationship on a separate sheet identified as addendum A.		X
4. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction? Initial here to confirm your response to question 4 →		X
5. Within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, or within the last year, for any other felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded not to contest; or 4) commenced any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 5 →		X
6. Is the United States the principal place of residence for all employees included in the Applicant's payroll calculation above?	X	
7. Is the Applicant a franchise?		X
8. Is the franchise listed in SBA's Franchise Directory? If yes, enter SBA Franchise Identifier Code here: _____		X



Paycheck Protection Program Second Draw Borrower Application Form

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) and the Department of the Treasury (Treasury) implementing Second Draw Paycheck Protection Program Loans under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (the Paycheck Protection Program Rules).
- The Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) employs no more than 300 employees; or (3) if NAICS 72, employs no more than 300 employees per physical location; (4) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business or a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, employs no more than 300 employees per location.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rules including the prohibition on using loan proceeds for lobbying activities and expenditures. If Applicant is a news organization that became eligible for a loan under Section 317 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, proceeds of the loan will be used to support expenses at the component of the business concern that produces or distributes locally focused or emergency information.
- I understand that SBA encourages the purchase, to the extent feasible, of American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

- MR The Applicant was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees, or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.
- MR-DS Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- MR The Applicant has realized a reduction in gross receipts in excess of 25% relative to the relevant comparison time period. For loans greater than \$150,000, Applicant has provided documentation to the lender substantiating the decline in gross receipts. For loans of \$150,000 or less, Applicant will provide documentation substantiating the decline in gross receipts upon or before seeking loan forgiveness for the Second Draw Paycheck Protection Program Loan or upon SBA request.
- MR-DS The Applicant received a First Draw Paycheck Protection Program Loan and, before the Second Draw Paycheck Protection Program Loan is disbursed, will have used the full loan amount (including any increase) of the First Draw Paycheck Protection Program Loan only for eligible expenses.
- MR The funds will be used to retain workers and maintain payroll; or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures as specified under the Paycheck Protection Program Rules; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.
- MR I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, covered utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures, and not more than 40% of the forgiven amount may be for non-payroll costs. If required, the Applicant will provide to the Lender and/or SBA documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of eligible expenses for the covered period following this loan.
- MR-DS The Applicant has not and will not receive another Second Draw Paycheck Protection Program Loan.
- MR-DS The Applicant has not and will not receive a Shuttered Venue Operator grant from SBA.
- MR The President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings

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NR
DS
NR

provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act.

The Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f).

The Applicant is not a business concern or entity (a) for which an entity created in or organized under the laws of the People's Republic of China or the Special Administrative Region of Hong Kong, or that has significant operations in the People's Republic of China or the Special Administrative Region of Hong Kong, owns or holds, directly or indirectly, not less than 20 percent of the economic interest of the business concern or entity, including as equity shares or a capital or profit interest in a limited liability company or partnership; or (b) that retains, as a member of the board of directors of the business concern, a person who is a resident of the People's Republic of China.

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The Applicant is not required to submit a registration statement under section 2 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 612).

The Applicant is not a business concern or entity primarily engaged in political or lobbying activities, including any entity that is organized for research or for engaging in advocacy in areas such as public policy or political strategy or otherwise describes itself as a think tank in any public documents.

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DS
NR

I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

DS
NR

I acknowledge that the Lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge, and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.



Authorized Representative of Applicant

1/27/2021

Date

Nathan Reis

Managing Member

Print Name

Title



Paycheck Protection Program Second Draw Borrower Application Form

Purpose of this form:

This form is to be completed by the authorized representative of the Applicant and **submitted to your SBA Participating Lender**. Submission of the requested information is required to make a determination regarding eligibility for financial assistance. Failure to submit the information would affect that determination.

Instructions for completing this form:

With respect to “purpose of the loan,” payroll costs consist of compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave (except those paid leave amounts for which a credit is allowed under FFCRA Sections 7001 and 7003); allowance for separation or dismissal; payment for the provision of employee benefits consisting of group health care coverage (including insurance premiums), group life, disability, vision, or dental insurance, and retirement benefits; payment of state and local taxes assessed on compensation of employees; and, for an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation.

For purposes of calculating “Average Monthly Payroll,” most Applicants will use the average monthly payroll for 2019 or 2020, excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For seasonal businesses, the Applicant may elect to instead use average total monthly payroll for any twelve-week period selected by the Applicant between February 15, 2019 and February 15, 2020, excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For new businesses without 12 months of payroll costs but that were in operation on February 15, 2020, average monthly payroll may be calculated based on the number of months in which payroll costs were incurred, excluding costs over \$100,000 on an annualized basis for each employee, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For farmers and ranchers that operate as a sole proprietorship or as an independent contractor, or who are eligible self-employed individuals and report farm income or expenses on a Schedule F (or any equivalent successor IRS form), payroll costs are computed using eligible payroll costs for employees, if any, plus the lesser of \$100,000 and the difference between gross income and any eligible payroll costs for employees, as reported on a Schedule F. For Applicants that file IRS Form 1040, Schedule C, payroll costs are computed using line 31 net profit amount, limited to \$100,000, plus any eligible payroll costs for employees. For Applicants that are partnerships, payroll costs are computed using net earnings from self-employment of individual general partners, as reported on IRS Form 1065 K-1, reduced by section 179 expense deduction claimed, unreimbursed partnership expenses claimed, and depletion claimed on oil and gas properties, multiplied by 0.9235, that is not more than \$100,000, plus any eligible payroll costs for employees.

In determining whether the Applicant experienced at least a 25% reduction in gross receipts, for loans above \$150,000, the Applicant must identify the 2020 quarter meeting this requirement, identify the reference quarter, and state the gross receipts amounts for both quarters, as well as provide supporting documentation. For loans of \$150,000 and below, these fields are not required and the Applicant only must certify that the Applicant has met the 25% gross receipts reduction at the time of application; however, upon or before seeking loan forgiveness (or upon SBA request) the Applicant must provide documentation that identifies the 2020 quarter meeting this requirement, identifies the reference quarter, states the gross receipts amounts for both quarters, and supports the amounts provided. For all loans, the appropriate reference quarter depends on how long the Applicant has been in operation:

- For all entities other than those satisfying the conditions set forth below, Applicants must demonstrate that gross receipts in any quarter of 2020 were at least 25% lower than the same quarter of 2019. Alternatively, Applicants may compare annual gross receipts in 2020 with annual gross receipts in 2019; Applicants choosing to use annual gross receipts must enter “Annual” in the 2020 Quarter and Reference Quarter fields and, as required documentation, must submit copies of annual tax forms substantiating the annual gross receipts reduction.
- For entities not in business during the first and second quarters of 2019 but in operation during the third and fourth quarters of 2019, Applicants must demonstrate that gross receipts in any quarter of 2020 were at least 25% lower than either the third or fourth quarters of 2019.
- For entities not in business during the first, second, and third quarters of 2019 but in operation during the fourth quarter of 2019, Applicants must demonstrate that gross receipts in any quarter of 2020 were at least 25% lower than the fourth quarter of 2019.
- For entities not in business during 2019 but in operation on February 15, 2020, Applicants must demonstrate that gross receipts in the second, third, or fourth quarter of 2020 were at least 25% lower than the first quarter of 2020.

Gross receipts includes all revenue in whatever form received or accrued (in accordance with the entity’s accounting method) from whatever source, including from the sales of products or services, interest, dividends, rents, royalties, fees, or commissions, reduced by returns and allowances. Generally, receipts are considered “total income” (or in the case of a sole proprietorship “gross income”) plus “cost of goods sold” and excludes net capital gains or losses as these terms are defined and reported on IRS tax return forms. Gross receipts do not include the following: taxes collected for and remitted to a taxing authority if included in gross or total income, such as sales or other taxes collected from customers and excluding taxes levied on the concern or its employees; proceeds from transactions between a concern and its domestic or foreign affiliates; and amounts collected for another by a travel agent, real estate agent, advertising agent, conference management service provider, freight forwarder or customs broker. All other items, such as subcontractor costs, reimbursements for purchases a contractor makes at a customer’s request, investment income, and employee-based costs such as payroll taxes, may not be excluded from gross receipts. Gross receipts of a borrower must be aggregated with gross receipts of its affiliates. For a nonprofit organization, veterans organization, nonprofit news organization, 501(c)(6) organization, and destination marketing organization, gross receipts has the meaning in section 6033 of the Internal Revenue Code of 1986.

For purposes of reporting Number of Employees, sole proprietors, self-employed individuals, and independent contractors should include themselves as employees (i.e., the minimum number in the box “Employees” is one). For NAICS 72 or eligible news organizations, applicants may not exceed 300 per physical location.

For purposes of reporting Year of Establishment, self-employed individuals and independent contractors may enter “NA”.

For purposes of reporting NAICS Code, applicants must match the business activity code provided on their IRS income tax filings, if applicable. For purposes of calculating an Applicant’s maximum payroll costs, an Applicant may multiply its average monthly payroll costs by 3.5 only if the Applicant is in the Accommodation and Food Services sector and has reported a NAICS code beginning with 72 as its business activity code on its most recent IRS income tax return.

All parties listed below are considered owners of the Applicant as well as “principals”:

- For a sole proprietorship, the sole proprietor;
- For a partnership, all general partners, and all limited partners owning 20% or more of the equity of the firm;
- For a corporation, all owners of 20% or more of the corporation;
- For limited liability companies, all members owning 20% or more of the company; and
- Any Trustor (if the Applicant is owned by a trust).

Paperwork Reduction Act – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 8 minutes. Comments about this time or the information requested should be sent to: Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**

Privacy Act (5 U.S.C. 552a) – Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. (But see Debt Collection Notice regarding taxpayer identification number below.) Disclosures of name and other personal identifiers are required to provide SBA with sufficient information to make a character determination. When evaluating character, SBA considers the person’s integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 USC Section 636(a)(1)(B) of the Small Business Act.

Disclosure of Information – Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act. The Privacy Act authorizes SBA to make certain “routine uses” of information protected by that Act. One such routine use is the disclosure of information maintained in SBA’s system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies’ function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses. In addition, the CARES Act, requires SBA to register every loan made under the Paycheck Protection Program using the Taxpayer Identification Number (TIN) assigned to the borrower.

Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles) – SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice, or (6) take other action permitted in the loan instruments.

Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) – The Right to Financial Privacy Act of 1978, grants SBA access rights to financial records held by financial institutions that are or have been doing business with you or your business including any financial institutions participating in a loan or loan guaranty. SBA is only required provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records. SBA’s access rights continue for the term of any approved loan guaranty agreement. SBA is also authorized to transfer to another Government authority any financial records concerning an approved loan or loan guaranty, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.

Freedom of Information Act (5 U.S.C. 552) – This law provides, with some exceptions, that SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that is generally released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers, the amount of the loan, and the type of the loan. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

Occupational Safety and Health Act (15 U.S.C. 651 et seq.) – The Occupational Safety and Health Administration (OSHA) can require businesses to modify facilities and procedures to protect employees. Businesses that do not comply may be fined and required to abate the hazards in their workplaces. They may also be ordered to cease operations posing an imminent danger of death or serious injury until employees can be protected. Signing this form is certification that the applicant, to the best of its knowledge, is in compliance with the applicable OSHA requirements, and will remain in compliance during the life of the loan.

Civil Rights (13 C.F.R. 112, 113, 117) – All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. All borrowers must display the “Equal Employment Opportunity Poster” prescribed by SBA.

Equal Credit Opportunity Act (15 U.S.C. 1691) – Creditors are prohibited from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant’s income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

Debarment and Suspension Executive Order 12549 (2 C.F.R. Part 180 and Part 2700) – By submitting this loan application, you certify that neither the Applicant or any owner of the Applicant have within the past three years been: (a) debarred, suspended, declared ineligible or voluntarily excluded from participation in a transaction by any Federal Agency; (b) formally proposed for debarment, with a final determination still pending; (c) indicted, convicted, or had a civil judgment rendered against you for any of the offenses listed in the regulations or (d) delinquent on any amounts owed to the U.S. Government or its instrumentalities as of the date of execution of this certification.

PPP Borrower Demographic Information Form (Optional)**Instructions**

1. **Purpose.** Veteran/gender/race/ethnicity data is collected for program reporting purposes only.
2. **Description.** This form requests information about each of the Borrower's Principals. Add additional sheets if necessary.
3. **Definition of Principal.** The term "Principal" means:
 - For a self-employed individual, independent contractor, or a sole proprietor, the self-employed individual, independent contractor, or sole proprietor.
 - For a partnership, all general partners and all limited partners owning 20% or more of the equity of the Borrower, or any partner that is involved in the management of the Borrower's business.
 - For a corporation, all owners of 20% or more of the Borrower, and each officer and director.
 - For a limited liability company, all members owning 20% or more of the Borrower, and each officer and director.
 - Any individual hired by the Borrower to manage the day-to-day operations of the Borrower ("key employee").
 - Any trustor (if the Borrower is owned by a trust).
 - For a nonprofit organization, the officers and directors of the Borrower.
4. **Principal Name.** Insert the full name of the Principal.
5. **Position.** Identify the Principal's position; for example, self-employed individual; independent contractor; sole proprietor; general partner; owner; officer; director; member; or key employee.

Principal Name		Position
Veteran	1=Non-Veteran; 2=Veteran; 3=Service-Disabled Veteran; 4=Spouse of Veteran; X=Not Disclosed	
Gender	M=Male; F=Female; X=Not Disclosed	
Race (more than 1 may be selected)	1=American Indian or Alaska Native; 2=Asian; 3=Black or African-American; 4=Native Hawaiian or Pacific Islander; 5=White; X=Not Disclosed	
Ethnicity	H=Hispanic or Latino; N=Not Hispanic or Latino; X=Not Disclosed	

Disclosure is voluntary and will have no bearing on the loan application decision

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blueacorn team

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[/R/BLUEACORNCAPSIGNERS](#) , 2021-07-05, 21:25:05

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SO MY WOODFOREST BANK BLOCKED MY ACCOUNT YESTERDAY AS SOON AS THE MONEY ENTERED YESTERDAY. I CONTACTED BLUEACORN AND REQUESTED FOR A DASH CARD AND SURPRISINGLY THEY RESPONDED AN HOUR AGO. IF YOU HAVE THE SAME ISSUE DO REACH OUT TO THEIR SUPPORT TEAM BY TICKETING. [▲ 2](#)

[/R/PPPLENDERWATCH](#) , 2021-05-25, 09:36:21



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[/R/PPPLOANS](#) , 2021-05-25, 05:42:14



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THIS WAS APART OF MY TICKET . HOW THE HELL ARE WE SUPPOSE TO KNOW IF OUR STATUS IS CORRECT OR NOT IF THEIR NOT UPDATING US ?? AND ANYONE ELSE HAD TO ACTUALLY SEND IN PHOTOS OF YOUR ID TO THE SUPPORT TICKET TEAM ? OR IS IT JUST ME ? #BLUEACORN [▲ 1](#)

[/R/BLUEACORNCAPSIGNERS](#) , 2021-05-11, 12:00:55

[deleted]

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[/R/FIDLPPP](#) , 2021-05-11, 12:00:35

[deleted]

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BLUEACORN PPP MANAGEMENT TEAM EMAILS [^ 2](#)

[/R/PPPLOANS](#), 2021-04-14, 04:37:11

For those of you who has a hard time with #Blueacorn I found their management team and emailed them. Just got email from [REDACTED] Too bad it's too late as I already withdrew it and Womply already sent me a promissory note. But hey guys blow up these emails!

[REDACTED]@blueacorn.co, [REDACTED]@blueacorn.co, [REDACTED]@blueacorn.co, [REDACTED]@blueacorn.co, [REDACTED]@blueacorn.co,
[REDACTED]@blueacorn.co, [REDACTED]@blueacorn.co

Make sure it's .co and not .com

This is what [REDACTED] told me :

«Hello [REDACTED]

You are absolutely right, that is not normal. Please allow me to apologize. We are not understaffed. Your loan did not come to us at VIPPP. You may have applied on the website, rather than our link for VIPPP, or maybe this is just a system issue. You were assigned to the regular side of Blueacorn and they must be experiencing a system error. I will work on getting you assigned to us at VIPPP and we can get things moving right away. Please accept our sincere apologies and allow us to rectify this situation.

Thank you, [REDACTED] @ Blueacorn Support»

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[/R/PPPLOANS](#) , 2021-09-11, 00:49:03 , **-1** SCORE , **-0.91** SENTIMENT RATING

Signed 5/29, rejected 6/4, updated bank 7/19, denied 8/1. Opened complaints with BBB, SBA Office of Inspector General, Attorney General and emailed CEO of Blueacorn and Prestamos and PPP Team Leader at Prestamos 3 times before getting a response. On 8/16 I resubmitted all my info to Prestamos. On 8/27 I got an email and text from Blueacorn saying funds were on the way in 3-6 days. 9/2 emailed them again and was told text and email on 8/27 was an error 🤔 !! Finally on 9/8 I got an email that a DashCard was sent to me and it actually came in the mail that day loaded with my funds!

[PERMALINK](#)

[/R/PPPLOANS](#) , 2021-09-04, 23:43:54 , **-3** SCORE , **+0.67** SENTIMENT RATING

Welcome to the team. Blueacorn did alot of us like this.

[PERMALINK](#)

[/R/PPPLOANS](#) , 2021-08-29, 02:13:06 , **-1** SCORE , **+0.91** SENTIMENT RATING

Same story for me. Been waiting to update bank info since rejected on 6/4. Just got email yesterday that I was funded and it would be deposited in the bank account that rejected it. Ugh! I haven't been asked to update bank yet or opt for card. I created a ticket right away and the response I got is below.....

Our team is diligently working to get your funds reissued to you and just incase we need additional information or documents from you, please check your portal every few days. I know that this has been mentioned to you before, but we need your usual patience and cooperation as you will also be prompted to sign up for a prepaid card once you get the notification to log in to your portal.

Again, I know this is urgent and important. I wish I can provide better news for you but I am looking forward that you complete the process and be funded soon.

The Blueacorn Support Team

[PERMALINK](#)

[/R/POLITICS](#) , 2021-08-18, 19:26:25 , **+11** SCORE , **-0.99** SENTIMENT RATING

Some \$76 billion of the program's \$800 billion in loans may have been taken improperly, a new paper concludes.

When the Paycheck Protection Program began last year to help small businesses that were struggling during the pandemic, the federal government was determined to get the relief money out fast — so it waived much of the vetting lenders traditionally do on business loans.

The absence of those safeguards meant that fraud was highly likely. But just how much of the program's \$800 billion was taken illicitly?

A new academic working paper released on Tuesday contains an estimate: Around 1.8 million of the program's 11.8 million loans — more than 15 percent — totaling \$76 billion had at least one indication of potential fraud, the researchers concluded.

"There's been a lot of anecdotes about fraud, but the tricky thing about anecdotes is that it's very difficult to put them together and get at the scale of what's going on," said Samuel Kruger, an assistant professor of finance at the University of Texas at Austin's McCombs School of Business and one of the paper's authors. "We wanted to look for patterns in the data."

The study pins blame for many of the questionable loans on one particular group of lenders: financial technology firms, known as "fintechs," which focus on digital lending. Nine of the 10 lenders with the highest rate of suspicious loans fell into that group.

"Certain fintech lenders seem to specialize in dubious loans," the authors wrote. Collectively, fintechs made around 29 percent of the program's loans but accounted for more than half of its suspicious loans, the study concluded.

The Paycheck Protection Program, which ran intermittently from April 2020 to May 2021, relied on banks and other lenders to make the government-guaranteed loans, which are designed to be forgiven if borrowers followed the program's rules. Government watchdogs have long warned of a high fraud risk on the rushed loans; the Justice Department has charged more than 500 people with improperly claiming hundreds of millions of dollars in borrowing. Daily business updates The latest coverage of business, markets and the economy, sent by email each weekday. Get it sent to your inbox.

Dr. Kruger and two other researchers at the university, John M. Griffin and Prateek Mahajan, identified a set of four primary and five secondary indications of a suspicious relief loan. Among the red flags: businesses that claimed they paid workers significantly more than their industry's norm, and corporations and other formally structured businesses that lacked a state business registration. Then they combined the loan records released by the Small Business Administration, which managed the program, with other data sources, like registration records and industry wage data, to find loans with anomalies.

The \$76 billion contains some false positives, the researchers acknowledged, because not every loan that raises red flags is improper. One of their indicators, for example, is multiple loans going to multiple businesses located at the same residential address. That's often a warning sign, according to the researchers and to program lenders, several of whom have said they gave extra scrutiny to such loans. But there are also legitimate reasons a household could contain more than one home-based business. Editors' Picks The Secret to Finding That Off-Market Deal: 'Be Prepared to Battle' Kathy Hilton's Calling How to Prep Kids for a Potentially Bumpy Return to School Continue reading the main story

A more restrictive calculation by the researchers, of loans with at least two suspicious characteristics, identified 1.2 million potentially fraudulent loans, totaling \$38 billion.

"We were fairly conservative in the way we approached the whole analysis, so there's also probably billions that we're missing," said Dr. Griffin, a finance professor at the university. "It seems like the fraud cost was high on this program."

Dr. Griffin, the team's lead researcher, is an owner of four companies that do consulting work on financial fraud investigations. None has any contracts related to the Paycheck Protection Program, he said.

In particular, the study cites two lenders, Capital Plus and Prestamos CDFI, as having fraud flags on roughly half their loans. Both of those lenders made nearly all of their loans through Blueacorn, a loan facilitator that drew in borrowers through a marketing blitz and steered them to its partners. Two other large online lenders, Cross River Bank and Harvest Small Business Finance, also had exceptionally high rates of suspicious loans, the researchers said.

All four lenders said they strongly objected to the study's methodology, data and conclusions. At the same time, they emphasized that the populations they focused on — particularly solo entrepreneurs and tiny companies, including those without traditional business banking relationships — were inherently riskier.

"We made every effort to screen out ineligible applications," said José Martínez, the president of Prestamos CDFI. "My team work day and night to support the smallest-of-small businesses, and we are proud of the work we did so the critical emergency funds reached all eligible applicants."

Big banks mostly limited their Paycheck Protection Program lending to existing customers, a choice that reduced fraud but disproportionately excluded businesses owned by women and people of color. Online lenders and fintechs were frequently the only available option for those without business bank accounts and credit lines. Making loans to those with no prior relationship with the lender — especially in the absence of strict underwriting — significantly raises the risk of fraud.

"Cross River is a state-chartered, F.D.I.C.-insured bank with robust regulatory standards," said Phil Goldfeder, a bank spokesman. "Unlike other lenders who prioritized their own customers, Cross River addressed the S.B.A. call to action and did not limit the program to existing customers."

Before the study was released, Blueacorn sent a letter Jay Hartzell, the president of the University of Texas at Austin, objecting to the researchers' approach. Blueacorn said that by relying on interim data released by the Small Business Administration before the P.P.P. ended, the study counted loans that its lenders initially approved but later canceled because of suspicious traits. Nearly 157,000 applications — about 16 percent of all of the loans Blueacorn's lenders approved — were canceled by the lenders before they were paid out.

"As we reviewed increasing volumes of loan applications, we learned, adapted, and enhanced our fraud detection capabilities and protocols," Barry Calhoun, Blueacorn's chief executive, said in a written statement. "Along the way, we partnered with the S.B.A. and other authorities to ensure the integrity of the P.P.P. while providing a traditionally overlooked population with access to the funds

they needed and deserved.”

The researchers said they hoped their work would help inform the ongoing policy debate about the Paycheck Protection Program’s effectiveness.

“Our evidence, along with evidence that the P.P.P. saved relatively few jobs at a high cost, provides growing evidence that the P.P.P. seems to have been a poor allocation of capital,” they wrote. “The sheer scope of the tens and hundreds of thousands of suspicious loans originated by many fintech lenders suggests that many lenders either encouraged such loans, turned a blind eye to them, or had lax oversight procedures.”

Matthew Coleman, a Small Business Administration spokesman, said that under its administrator, Isabella Guzman, the agency had “implemented reforms to reduce fraud and expand access to the smallest and minority-owned businesses and address serious flaws in the prior administration’s implementation of the program to address both issues.”

[PERMALINK](#)

[/R/EIDLPPP](#), 2021-08-12, 13:55:15, - 1 SCORE, -0.77 SENTIMENT RATING

Same thing happened with blueacorn & Prestamos. What they did was hired a recovery team the (bsa) department to basically go through the ppp deposit and make it seem as if you committed a crime. Its one thing to make sure you have a business going at the specified time. What is not ok is to have people jump through hoops then deny them anyway. They held mines for months then pulled 20k out in cash and disappeared. Money makes these kind of people crazy. Now why would you have to go to a lender vs a web and app developing company? Red flags.

[PERMALINK](#)

IT'S A SLOW SEARCH... TO STAY IN THE KNOW,

[SET AN ALERT](#)

[/R/???](#), 2021-07-30, 13:08:01, - 1 SCORE

first I wrote them on Twitter then I submitted soo many tickets in the Portal in one day with blueacorn to have my address updated until somebody wrote me back i just stated I never received my first card it been over 14 days and I ask if I could update my address to have a new card expedited..she didn't expedited but she did say she would get the team to update my address and I didn't have to show any documentation. updated me same day 7/20 and shipped received 7/29

[PERMALINK](#)

[/R/BLUEACORNCAPSIGNERS](#), 2021-07-12, 00:28:53, - 2 SCORE, +0.95 SENTIMENT RATING

I signed 4/7. Got an email 2 weeks ago to change my bank or opt in for dash card. I did the dash card. Haven't heard anything after that until I put in a ticket this past Thursday and received an email an hour later surprisingly from Blue Acorn saying,

Thank you for reaching out.

We apologize for the delay and we understand that you have been waiting for the update on your funds. After the review of your application, it appears the status has been recently updated.

We can confirm that you requested a prepaid card. We ask that you give the system some time to generate your request and process the card. Once your request has been processed, your card is estimated to arrive in 10-14 business days.

We appreciate your business and the confidence you have placed in us. For additional assistance, please feel free to reach out again

The Blueacorn Support Team blueacorn

[PERMALINK](#)

[/R/EIDLPPP](#), 2021-07-06, 22:23:02, + 1 SCORE, +0.71 SENTIMENT RATING

Look at the date.....I cannot go anywhere else to get my funding. SBA approved me

[REDACTED] - Important Update

Inbox

Blueacorn Team Unsubscribe

Jun 24, 2021, 5:11 PM (12 days ago)

to me

Hello [REDACTED]

We are writing to let you know that we have determined that based upon information you provided, your application does not meet the requirements for the Paycheck Protection Program.

Unfortunately, we will not be able to fund your PPP loan.

During our review and processing of millions of loan applications, we have continually updated protocols to eliminate applications that do not meet the standards of the PPP. As part of our process, which includes a thorough manual review by our service team, we concluded that a responsible lender could not fund your loan due to at least one of the following reasons:

We were unable to verify your identity.

You did not submit sufficient proof that your business was operational as of February 2020.

You did not sign and accept the promissory note.

You did not submit sufficient documentation to verify eligibility as required by PPP.

You did not upload a verifiable copy of one of the following requested documents:

2019 or 2020 1099-MISC, 1099-NEC or W3

Incorporation Documents

The filed Schedule C included in your tax return (2019 or 2020 as requested)

Proof of Quarterly Tax Payment to IRS (Q4 2019 or Q1 2020 as requested)

Filed 1040 tax return (2019 or 2020 as requested)

We understand that this is not the result you were looking for.

Please know, we take our efforts to verify compliance with PPP standards very seriously and simply could not verify your eligibility based upon the information you provided. This decision is final and cannot be appealed.

The Blueacorn Team

[PERMALINK](#)

[/R/FIDLPPP](#), 2021-07-04, 11:31:40, - 1 SCORE, +0.99 SENTIMENT RATING

Oh ok yea mine was accepted 6/04 so hopefully soon... I messaged them yesterday, and they wrote me back a few hours later. Thank you so much for reaching us and giving us this opportunity to make things better. We clearly understand how important it is for you to make banking changes in order for you to get funded as soon as possible. We deeply apologize for the delay since the systems are running behind their projected schedule due to an overwhelming response in this round!

We just want to let you know that we are We are unable to change your bank account information at this time since your loan documents have been signed already. The most important thing to know is that we are working to help resolve this and once you pass reverification you will be funded. However, please keep in mind that this process takes time.

First, we have to wait for your funds to be returned to us from your bank. This can take up to 5-7 business working days to occur.

After your funds are returned you will go through a reverification process where you may be asked to upload additional supporting documents before we are able to send your returned funds back to you.

Once we have received and verified these documents we will be able to return your funds to you via a prepaid Mastercard that will be shipped to the address you have provided on your application. Please note for security reasons we are unable to make changes on the address where the card will be shipped. For more information regarding this process please visit www.blueacorn.co/faq.

Thank you for your patience in this process, we look forward to assisting you in finding a resolution on this matter.

In the meantime, If ever you have any other concerns, questions or any other inquiries about your loan application, just let us know as we would be very happy to assists you immediately.

Again, please accept our apologies for the delay. Guarantee that we are working on it and doing everything we can to see you get funded as soon as possible.

Yours Truly

[PERMALINK](#)

[/R/BLUEACORNCAPSIGNERS](#), 2021-07-03, 19:50:28, ▲ 1 SCORE, -0.76 SENTIMENT RATING

My bank rejected then closed my account. BlueAcorn either says that they haven't received any notice of rejection or that their team has found the account suitable for funding and will be funding that account. Gave me the last four of the account number and it's either the closed account or not mine, I don't recognize the numbers.

[PERMALINK](#)

[/R/BLUEACORN](#), 2021-07-01, 20:41:45, ▲ 1 SCORE, +0.85 SENTIMENT RATING

I just got this from Facebook! 🗨️ "Hello [REDACTED] We have logged that your account has been stuck for a number of days. It will take our team several days to update each account. All verified and SBA approved customers will receive their funding, this can take up to 60 days. I am so sorry to hear your funds were rejected. The process for rejections can be a complicated one because it has to follow a certain process. You should be receiving correspondence from Blueacorn in the next few days with next steps for you to follow to get those funds back out safely and securely. Keep on the lookout for that and touch base next week if you haven't seen anything come through! Thanks for reaching out and we appreciate your patience!

[PERMALINK](#)

[/R/BLUEACORN](#), 2021-06-26, 16:13:09, ▲ 1 SCORE, +0.72 SENTIMENT RATING

Hey i inboxed them on Facebook and was told this : "Hi [REDACTED] I'm so sorry for our delay. That email is not associated with Blueacorn. I looked at your account and it looks like you have not been updated in a number of days, so I am putting a request in to check things out. Please note that due to our backlog it will take a few days to look things over, but if you do not hear back from us by the end of next week please reach out again. I have labeled your file as "stuck" and a team member will get to it as soon as we can. Thank you so much for your patience!"

[PERMALINK](#)

[/R/BLUEACORN](#), 2021-06-24, 15:13:35, ▲ 1 SCORE

Its from the Blueacorn Team

[PERMALINK](#)

[/R/BLUEACORN](#), 2021-06-23, 17:37:08, ▲ 1 SCORE, +0.92 SENTIMENT RATING

Hello,

My name is [REDACTED] and I am a customer support agent here at Blueacorn. I am reaching out to you in regards to the inquiry you had with the SBA about your application.

I see here on your file that your application is in Funding - Funded as of 4/28. Since you are after the normal 10 day span of being funded, I'm going to be adding you to a list to be escalated to a manager, who will be working on moving your application forward!

Additionally, I would like to apologize for the lack of communication from the Customer Support Team at Blueacorn. We are a small company and receive thousands of requests a day, and I am sorry that your request was not responded to in a timely manner. I want to assure you that I am here to help your voice be heard!

I hope this information has helped, and please let me know if you have any other questions!

Thank you!

Hi [REDACTED]

I see that you have still not been funded. We sincerely apologize for this delay. We understand that time is of the essence and how important it is for you to receive these funds. I took a look into what is going on and found that there seems to be a technical error that has caused you not to be funded yet. Fortunately, your funds are secure and you will be funded soon. Both management and engineering are working on a solution as we speak. We were hoping that they would have a solution in 10 business days, but we're not quite there yet. Again, please accept our apologies. I assure you that we are working on it and want to see you funded as soon as possible.

We'll make we have the funds sent to the right account. If doesn't work, there's the option of being mailed a prepaid card

That's the last messages I got last week and week before and still not funded this shit is pitiful and I signed 4/9/21 at 11pm

[PERMALINK](#)

[/R/PPPLOANS](#), 2021-06-23, 17:19:33, - 1 SCORE, +0.91 SENTIMENT RATING

UPDATE!! I received this message when inquiring about my application status

Thank you for your message. We wanted to take a moment to provide an update on what is happening during this time.

To maintain the integrity of the program and reinforce the processes we have in place, applications are undergoing a final quality assurance review.

We thank you for your patience.

The Blueacorn Support Team

[PERMALINK](#)

[/R/FIDLPPP](#), 2021-06-21, 13:12:09, - 2 SCORE, +0.91 SENTIMENT RATING

Thank you for bringing this to our attention. We ask that you give the system some time to generate your request and process the card to be shipped to you. Please contact us here regarding your request for a prepaid card as it is facilitated by us to help direct and get you an answer. We want to assure you our team is working hard to process all requests and send out cards as soon as possible. If you have any other concerns or questions in the meantime reach out and we would be happy to assist you. This is what BlueAcorn sent me today

[PERMALINK](#)

[/R/PPPLOANS](#), 2021-06-18, 15:40:32, - 1 SCORE, +0.72 SENTIMENT RATING

This is what they sent... Disbursed current #FI01074338

B

Blueacorn Support

to me 1 day ago

Details

New reply for the ticket #FI01074338

This notice is being sent in regards to your recent application for a PPP Loan. After a careful, secondary review of the information you provided on your application with full consideration from our lender, we have decided not to move forward with your application.

We know this is frustrating, and wish we had better news for you.

With regards, Blueacorn's SBA & Lender Compliance Team

[PERMALINK](#)

[/R/BLUEACORN](#), 2021-06-17, 02:54:17, - 2 SCORE, +0.97 SENTIMENT RATING

It's funny u said they list us as funded look what the rep wrote to me after I contacted sba and they contacted blueacorn on my behalf

Blueacorn email to me after sba reach out-

Hello,

My name is [REDACTED] and I am a customer support agent here at Blueacorn. I am reaching out to you in regards to the inquiry you had with the SBA about your application.

I see here on your file that your application is in Funding - Funded as of 4/28. Since you are after the normal 10 day span of being funded, I'm going to be adding you to a list to be escalated to a manager, who will be working on moving your application forward!

Additionally, I would like to apologize for the lack of communication from the Customer Support Team at Blueacorn. We are a small company and receive thousands of requests a day, and I am sorry that your request was not responded to in a timely manner. I want to assure you that I am here to help your voice be heard!

I hope this information has helped, and please let me know if you have any other questions!

Thank you!

[PERMALINK](#)

[/R/BLUEACORN](#), 2021-06-16, 22:57:14, **-1** SCORE

June 11th at 10:03am got the email from Blueacorn chat team

[PERMALINK](#)

[/R/BLUEACORN](#), 2021-06-15, 15:51:27, **-1** SCORE, **-0.94** SENTIMENT RATING

Naw don't write the chat reps. They don't work directly with the company which is why they give out automated responses. Blueacorn basically just hired a chat team full of foreigners. They really can't help you. About the funding if you are in the funding stage and haven't been denied it's just a waiting game bro I know it's long but it's nothing we can do but harass them. As long as you haven't got denied you'll get the funds the only thing stopping you would be getting denied. From what I'm seeing they depositing funds at random this week. I haven't seen no certain patterns

[PERMALINK](#)

[/R/BLUEACORN](#), 2021-06-10, 16:33:49, **-1** SCORE, **+0.96** SENTIMENT RATING

[REDACTED] - profile picture [REDACTED] AGENT 6 days ago Hello,

My name is [REDACTED] and I am a customer support agent here at Blueacorn. I am reaching out to you in regards to the inquiry you had with the SBA about your application.

I see here on your file that your application is in Funding - Funded as of 4/28. Since you are after the normal 10 day span of being funded, I'm going to be adding you to a list to be escalated to a manager, who will be working on moving your application forward!

Additionally, I would like to apologize for the lack of communication from the Customer Support Team at Blueacorn. We are a small company and receive thousands of requests a day, and I am sorry that your request was not responded to in a timely manner. I want to assure you that I am here to help your voice be heard!

I hope this information has helped, and please let me know if you have any other questions!

Thank you

[PERMALINK](#)

[/R/BLUEACORNCAPSIGNERS](#), 2021-06-10, 12:32:15, **-1** SCORE, **+0.97** SENTIMENT RATING

sorry, here it is

New reply for the ticket #GI01028256

Thank you for reaching out. There was a technical issue causing the funds to not be populated to your card. Our engineering team is working to reconcile the problem as we speak. We want to assure you that your funds are secure and will be generated to your card.

If there is anything else you need in the meantime please contact our customer support and we would be happy to help!

For more answers to FAQ's about prepaid please visit [Blueacorn.com/faq](https://blueacorn.com/faq)

Please let us know if you have any questions. All the Best, Blueacorn _____ Customer Service Login to your account @ Getblueacorn.com/login

[PERMALINK](#)

[/R/BLUEACORN](#) , 2021-06-10, 12:29:13 , **- 1** SCORE , **+0.98** SENTIMENT RATING

New reply for the ticket #GI01028256

Thank you for reaching out. There was a technical issue causing the funds to not be populated to your card. Our engineering team is working to reconcile the problem as we speak. We want to assure you that your funds are secure and will be generated to your card.

If there is anything else you need in the meantime please contact our customer support and we would be happy to help!

For more answers to FAQ's about prepaid please visit [Blueacorn.com/faq](https://blueacorn.com/faq)

Please let us know if you have any questions. All the Best, Blueacorn _____ Customer Service Login to your account @ Getblueacorn.com/login

[PERMALINK](#)

[/R/BLUEACORN](#) , 2021-06-08, 18:45:20 , **- 1** SCORE , **+0.93** SENTIMENT RATING

Second email received 6/5/21 after I asked for the link to update/received dash card

We are unable to change your bank account information at this time since your loan documents have been signed. The most important thing to know is that we will be able to resolve this and you will be funded. However, please understand this process takes time.

First, we have to wait for the wiring company to put your name on a report that confirms the funding has been returned. Second, our team has to uncover why the funding was returned. If needed, we'll reach out to you directly to collect additional information. Third, we have to put the new information on a report that is sent to the wiring company. Finally, we have to wait for the wiring company to send the new payment. If the payment is returned again, the process repeats

Regarding your application: your name has not been reported to us, yet from the wiring company. As soon as that happens, we'll start the re-wire process.

We have a team of people who are currently working on this for hundreds of applicants who signed their Loan Documents with inaccurate funding information.

Thank you for your patience! We appreciate you!

The Blueacorn Support Team

[PERMALINK](#)

[/R/BLUEACORN](#) , 2021-06-08, 18:43:28 , **- 1** SCORE , **-0.09** SENTIMENT RATING

First email received 6/4/21

Thank you for your patience with the entire PPP funding process.

We're writing to let you know that the ACH transfer of your funds into your bank account was rejected for one or more reasons by your bank.

We are currently working through the thousands of rejection cases just like yours, to make sure every one of them is handled correctly.

We apologize, but this will most likely take 1-2 weeks to get through.

We will keep you updated as soon as we figure out what caused the error, and what will happen next with your loan.

Thank you again for your patience throughout this entire process.

The Blueacorn Team

[PERMALINK](#)

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PPPLOANS: BANNEDWant to join? [Log in](#) or [sign up](#) in seconds. | [English](#)

This community has been banned

This subreddit was banned due to being used for spam. If you'd like to take it over please make a post in [/r/redditrequest](#)

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Paycheck Protection Program
Lender's Application - Paycheck Protection Program Loan Guaranty
Revised March 18, 2021

OMB Control No.: 3245-0407
 Expiration Date: 9/30/2021

The purpose of this form is to collect identifying information about the Lender, the Applicant, the loan guaranty request, sources and uses of funds, the proposed structure (which includes pricing and the loan term), and compliance with SBA Loan Program Requirements. This form reflects the data fields that will be collected electronically from lenders; no paper version of this form is required or permitted to be submitted. As used in this application, "Paycheck Protection Program Rules" refers to the rules in effect at the time you submit this application that have been issued by the Small Business Administration (SBA) and the Department of the Treasury implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and Title V of the American Rescue Plan Act of 2021.

Instructions for Lenders

All Paycheck Protection Program (PPP) loans are processed by all Lenders under delegated authority from SBA. This application must be submitted and signed electronically in accordance with program requirements, and the information requested is to be retained in the Lender's loan file.

A. Lender Information			
Lender Name:	Capital Plus Financial, LLC	Lender Location ID:	529472
Address:	2247 Central Drive	City: Bedford	St: TX Zip: 76021
Lender Contact:	Farzana Giga	Ph: [REDACTED]	Cell or Ext: () -
Contact Email:	[REDACTED]@capitalplusfin.com	Title:	CFO

B. Applicant Information <i>(All Applicant Ownership information provided by the Applicant on SBA Form 2483 or 2483-C must also be submitted electronically)</i>			
Check One: <input checked="" type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent contractor <input type="checkbox"/> Self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> Single member LLC (self-employed individual) <input type="checkbox"/> Qualified joint venture (self-employed individual) <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Other 501(c) organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal business <input type="checkbox"/> Other			
Applicant	Applicant Legal Name:	[REDACTED] Hartin	NAICS Code: 814110
	DBA or Tradename (if applicable):		Business Tax ID: [REDACTED]
	Year of Establishment (if applicable):	2018	Number of Employees: 1
	Applicant Size Standard (including affiliates, if applicable) (check one):	<input checked="" type="checkbox"/> No more than 500 employees (or 300 employees, if applicable) unless "per location" exception applies <input type="checkbox"/> SBA industry size standards <input type="checkbox"/> SBA alternative size standard	
Applicant Street Address (no P.O. Box Addresses allowed):	[REDACTED]	City, State, Zip: Mesa, Arizona 85213	
Applicant Primary Contact:	[REDACTED] Hartin	Phone: [REDACTED]	
Complete this line only if Applicant submitted SBA Form 2483-C:	Total Gross Income (from IRS Form 1040, Schedule C, Line 7)	Tax Year Used for Gross Income	
	\$	<input type="checkbox"/> 2019 <input type="checkbox"/> 2020	

C. Loan Structure Information							
Amount of Loan Request:	\$ 11290	Guarantee %:	100%	Loan Term in # of Months:	60	Payment:	Deferred
Applicant must provide documentation to Lender supporting how the loan amount was calculated in accordance with the Paycheck Protection Program Rules and Lender must retain all such supporting documentation in Lender's file.							
Interest Rate:	1% (calculated on a non-compounding, non-adjustable basis)						

D. Loan Amount Information	
Average Monthly Payroll multiplied by 2.5 <i>If Applicant submitted SBA Form 2483-C, use the amount entered in B in either table, plus the amount entered in C for Applicants with employees (if applicable), multiplied by 2.5</i>	\$ 11290
Refinance of Eligible Economic Injury Disaster Loan (EIDL) (Do Not Include Any EIDL Advance (see Paycheck Protection Program Rules))	\$
Total	\$ 11290

E. General Eligibility *(If the answer is no to any, the loan cannot be approved)*

- The Applicant has certified to the Lender that (1) it was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC; (2) current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant; (3) the funds will be used to retain workers and maintain payroll, or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures; and (4) the Applicant has not and will not receive another loan under the Paycheck Protection Program, section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) (this does not include Paycheck Protection Program second draw loans, section 7(a)(37) of the Small Business Act (15 U.S.C. 636(a)(37))). Yes No
- The Applicant has certified to the Lender that the Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) if not a housing cooperative, eligible 501(c)(6) organization, other eligible 501(c) organization, or eligible destination marketing organization, employs no more than the greater of 500 employees or, if applicable, meets the size standard in number of employees established by the SBA in 13 C.F.R. 121.201 for the Applicant's industry; (3) if a housing cooperative, employs no more than 300 employees; (4) if an eligible 501(c)(6) organization, other eligible 501(c) organization, or eligible destination marketing organization, employs no more than 300 employees per physical location; (5) if NAICS 72 or a 501(c)(3) organization, employs no more than 500 employees per physical location; (6) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business, a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, or an Internet-only news or periodical publisher assigned NAICS code 519130 and engaged in the collection and distribution of local or regional and national news and information, employs no more than 500 employees (or, if applicable, the size standard in number of employees established by SBA in 13 C.F.R. 121.201 for the Applicant's industry) per location; or (7) is a small business under the applicable revenue-based size standard established by SBA in 13 C.F.R. 121.201 for the Applicant's industry or under the SBA alternative size standard. Yes No
- The Applicant has certified to the Lender that (1) it has not been approved for a Shuttered Venue Operator (SVO) grant from SBA as of the date of the loan application, and acknowledged that if the Applicant is approved for an SVO grant before SBA issues a loan number for the loan, the Applicant is ineligible for the loan and acceptance of any loan proceeds will be considered an unauthorized use; (2) the President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act; and (3) the Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f). Yes No

F. Applicant Certification of Eligibility *(If not true, the loan cannot be approved)*

- The Applicant has certified to the Lender that the Applicant is eligible under the Paycheck Protection Program Rules. True

G. Franchise/License/Jobber/Membership or Similar Agreement *(If a franchise and not listed in the SBA Franchise Directory, the loan cannot be approved)*

- The Applicant has represented to the Lender that it is a franchise. Yes No
- The Applicant has represented that the franchise is listed in SBA's Franchise Directory. Yes No
- If Yes, enter the SBA Franchise Identifier Code here: _____

H. Character Determination *(If no, the loan cannot be approved)*

- The Applicant has represented to the Lender that neither the Applicant (if an individual) nor any individual owning 20% or more of the equity of the Applicant is presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction. Yes No
- The Applicant has represented to the Lender that neither the Applicant (if an individual) nor any owner of the Applicant has within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance: 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment). Yes No

I. Prior Loss to Government/Delinquent Federal Debt *(If no, the loan cannot be approved)*

- The Applicant has certified to the Lender that neither the Applicant nor any owner is presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy. Yes No
- The Applicant has certified to the Lender that neither the Applicant nor any of its owners, nor any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency (other than a Federal student loan made or guaranteed through a program administered by the Department of Education) that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government. Yes No

J. U.S. Employees *(If no, the loan cannot be approved)*

- The Applicant has certified that the principal place of residence for all employees included in the Applicant's payroll calculation is the United States. Yes No

K. Fees (If yes, Lender may not pass any agent fee through to the Applicant or offset or pay the fee with the proceeds of this loan)

- Has the Lender directly contracted with a third party to assist in the preparation of the loan application or application materials, or to perform other services in connection with this loan? Yes No

SBA Certification to Financial Institution under Right to Financial Privacy Act (12 U.S.C. 3401)

By signing SBA Form 2483 or 2483-C, Borrower Application Form in connection with this application for an SBA-guaranteed loan, the Applicant certifies that it has read the Statements Required by Law and Executive Orders, which is attached to SBA Form 2483 or 2483-C. As such, SBA certifies that it has complied with the applicable provisions of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) and, pursuant to that Act, no further certification is required for subsequent access by SBA to financial records of the Applicant/Borrower during the term of the loan guaranty.

Lender Certification

On behalf of the Lender, I certify that:

- The Lender has complied with the applicable lender obligations set forth in paragraphs C.3.a.-c. of the interim final rule "Paycheck Protection Program as Amended by Economic Aid Act" (issued on January 6, 2021), and any amendments thereto.
- The Lender has obtained and reviewed the required application (including documents demonstrating qualifying payroll amounts) of the Applicant and will retain copies of such documents in the Applicant's loan file.
- The Lender will register in sam.gov no later than thirty (30) days from the date of the first disbursement of a PPP loan made by the Lender after January 7, 2021 and will provide SBA with the Lender's unique entity identifier.

I certify that:

- Neither the undersigned Authorized Lender Official, nor such individual's spouse or children, has a financial interest in the Applicant.

Authorized Lender Official: _____

Date: 3/12/2021

Type or Print Name: Farzana Giga

Title: CFO

NOTE: According to the Paperwork Reduction Act, you are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated burden for completing this form, including time for reviewing instructions, gathering data needed, and completing and reviewing the form is 25 minutes per response. Comments or questions on the burden estimates should be sent to U.S. Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Rm. 10202, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**



Paycheck Protection Program
Lender's Application - Paycheck Protection Program Loan Guaranty
Revised March 18, 2021

OMB Control No.: 3245-0407
 Expiration Date: 9/30/2021

The purpose of this form is to collect identifying information about the Lender, the Applicant, the loan guaranty request, sources and uses of funds, the proposed structure (which includes pricing and the loan term), and compliance with SBA Loan Program Requirements. This form reflects the data fields that will be collected electronically from lenders; no paper version of this form is required or permitted to be submitted. As used in this application, "Paycheck Protection Program Rules" refers to the rules in effect at the time you submit this application that have been issued by the Small Business Administration (SBA) and the Department of the Treasury implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and Title V of the American Rescue Plan Act of 2021.

Instructions for Lenders

All Paycheck Protection Program (PPP) loans are processed by all Lenders under delegated authority from SBA. This application must be submitted and signed electronically in accordance with program requirements, and the information requested is to be retained in the Lender's loan file.

A. Lender Information			
Lender Name:	Capital Plus Financial, LLC	Lender Location ID:	529472
Address:	2247 Central Drive	City: Bedford	St: TX Zip: 76021
Lender Contact:	Farzana Giga	Ph: [REDACTED]	Cell or Ext: () -
Contact Email:	[REDACTED]@capitalplusfin.com	Title:	CFO

B. Applicant Information <i>(All Applicant Ownership information provided by the Applicant on SBA Form 2483 or 2483-C must also be submitted electronically)</i>			
Check One: <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input checked="" type="checkbox"/> Independent contractor <input type="checkbox"/> Self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> Single member LLC (self-employed individual) <input type="checkbox"/> Qualified joint venture (self-employed individual) <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Other 501(c) organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal business <input type="checkbox"/> Other			
Applicant	Applicant Legal Name:	[REDACTED] Spencer	NAICS Code: 541810
	DBA or Tradename (if applicable):		Business Tax ID: [REDACTED]
	Year of Establishment (if applicable):	2020	Number of Employees: 1
	Applicant Size Standard (including affiliates, if applicable) (check one):	<input checked="" type="checkbox"/> No more than 500 employees (or 300 employees, if applicable) unless "per location" exception applies <input type="checkbox"/> SBA industry size standards <input type="checkbox"/> SBA alternative size standard	
Applicant Street Address (no P.O. Box Addresses allowed):	[REDACTED]	City, State, Zip: Mesa, Arizona 85213	
Applicant Primary Contact:	[REDACTED] Spencer	Phone: [REDACTED]	
Complete this line only if Applicant submitted SBA Form 2483-C:	Total Gross Income (from IRS Form 1040, Schedule C, Line 7)	Tax Year Used for Gross Income	
	\$	<input type="checkbox"/> 2019 <input type="checkbox"/> 2020	

C. Loan Structure Information							
Amount of Loan Request:	\$ 12937	Guarantee %:	100%	Loan Term in # of Months:	60	Payment:	Deferred
Applicant must provide documentation to Lender supporting how the loan amount was calculated in accordance with the Paycheck Protection Program Rules and Lender must retain all such supporting documentation in Lender's file.							
Interest Rate:	1% (calculated on a non-compounding, non-adjustable basis)						

D. Loan Amount Information	
Average Monthly Payroll multiplied by 2.5 <i>If Applicant submitted SBA Form 2483-C, use the amount entered in B in either table, plus the amount entered in C for Applicants with employees (if applicable), multiplied by 2.5</i>	\$ 12937
Refinance of Eligible Economic Injury Disaster Loan (EIDL) (Do Not Include Any EIDL Advance (see Paycheck Protection Program Rules))	\$
Total	\$ 12937

E. General Eligibility *(If the answer is no to any, the loan cannot be approved)*

- The Applicant has certified to the Lender that (1) it was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC; (2) current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant; (3) the funds will be used to retain workers and maintain payroll, or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures; and (4) the Applicant has not and will not receive another loan under the Paycheck Protection Program, section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) (this does not include Paycheck Protection Program second draw loans, section 7(a)(37) of the Small Business Act (15 U.S.C. 636(a)(37))). Yes No
- The Applicant has certified to the Lender that the Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) if not a housing cooperative, eligible 501(c)(6) organization, other eligible 501(c) organization, or eligible destination marketing organization, employs no more than the greater of 500 employees or, if applicable, meets the size standard in number of employees established by the SBA in 13 C.F.R. 121.201 for the Applicant's industry; (3) if a housing cooperative, employs no more than 300 employees; (4) if an eligible 501(c)(6) organization, other eligible 501(c) organization, or eligible destination marketing organization, employs no more than 300 employees per physical location; (5) if NAICS 72 or a 501(c)(3) organization, employs no more than 500 employees per physical location; (6) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business, a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, or an Internet-only news or periodical publisher assigned NAICS code 519130 and engaged in the collection and distribution of local or regional and national news and information, employs no more than 500 employees (or, if applicable, the size standard in number of employees established by SBA in 13 C.F.R. 121.201 for the Applicant's industry) per location; or (7) is a small business under the applicable revenue-based size standard established by SBA in 13 C.F.R. 121.201 for the Applicant's industry or under the SBA alternative size standard. Yes No
- The Applicant has certified to the Lender that (1) it has not been approved for a Shuttered Venue Operator (SVO) grant from SBA as of the date of the loan application, and acknowledged that if the Applicant is approved for an SVO grant before SBA issues a loan number for the loan, the Applicant is ineligible for the loan and acceptance of any loan proceeds will be considered an unauthorized use; (2) the President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act; and (3) the Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f). Yes No

F. Applicant Certification of Eligibility *(If not true, the loan cannot be approved)*

- The Applicant has certified to the Lender that the Applicant is eligible under the Paycheck Protection Program Rules. True

G. Franchise/License/Jobber/Membership or Similar Agreement *(If a franchise and not listed in the SBA Franchise Directory, the loan cannot be approved)*

- The Applicant has represented to the Lender that it is a franchise. Yes No
- The Applicant has represented that the franchise is listed in SBA's Franchise Directory. Yes No
- If Yes, enter the SBA Franchise Identifier Code here: _____

H. Character Determination *(If no, the loan cannot be approved)*

- The Applicant has represented to the Lender that neither the Applicant (if an individual) nor any individual owning 20% or more of the equity of the Applicant is presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction. Yes No
- The Applicant has represented to the Lender that neither the Applicant (if an individual) nor any owner of the Applicant has within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance: 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment). Yes No

I. Prior Loss to Government/Delinquent Federal Debt *(If no, the loan cannot be approved)*

- The Applicant has certified to the Lender that neither the Applicant nor any owner is presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy. Yes No
- The Applicant has certified to the Lender that neither the Applicant nor any of its owners, nor any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency (other than a Federal student loan made or guaranteed through a program administered by the Department of Education) that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government. Yes No

J. U.S. Employees *(If no, the loan cannot be approved)*

- The Applicant has certified that the principal place of residence for all employees included in the Applicant's payroll calculation is the United States. Yes No

K. Fees (If yes, Lender may not pass any agent fee through to the Applicant or offset or pay the fee with the proceeds of this loan)

- Has the Lender directly contracted with a third party to assist in the preparation of the loan application or application materials, or to perform other services in connection with this loan? Yes No

SBA Certification to Financial Institution under Right to Financial Privacy Act (12 U.S.C. 3401)

By signing SBA Form 2483 or 2483-C, Borrower Application Form in connection with this application for an SBA-guaranteed loan, the Applicant certifies that it has read the Statements Required by Law and Executive Orders, which is attached to SBA Form 2483 or 2483-C. As such, SBA certifies that it has complied with the applicable provisions of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) and, pursuant to that Act, no further certification is required for subsequent access by SBA to financial records of the Applicant/Borrower during the term of the loan guaranty.

Lender Certification

On behalf of the Lender, I certify that:

- The Lender has complied with the applicable lender obligations set forth in paragraphs C.3.a.-c. of the interim final rule "Paycheck Protection Program as Amended by Economic Aid Act" (issued on January 6, 2021), and any amendments thereto.
- The Lender has obtained and reviewed the required application (including documents demonstrating qualifying payroll amounts) of the Applicant and will retain copies of such documents in the Applicant's loan file.
- The Lender will register in sam.gov no later than thirty (30) days from the date of the first disbursement of a PPP loan made by the Lender after January 7, 2021 and will provide SBA with the Lender's unique entity identifier.

I certify that:

- Neither the undersigned Authorized Lender Official, nor such individual's spouse or children, has a financial interest in the Applicant.

Authorized Lender Official: _____

Date: 3/14/2021

Type or Print Name: Farzana Giga

Title: CFO

NOTE: According to the Paperwork Reduction Act, you are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated burden for completing this form, including time for reviewing instructions, gathering data needed, and completing and reviewing the form is 25 minutes per response. Comments or questions on the burden estimates should be sent to U.S. Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Rm. 10202, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**

**SCHEDULE C
(Form 1040)**

**Profit or Loss From Business
(Sole Proprietorship)**

OMB No. 1545-0074

2020
Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

▶ Go to www.irs.gov/ScheduleC for instructions and the latest information.

▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor Spencer		Social security number (SSN) [REDACTED]
A Principal business or profession, including product or service (see instructions) Advertising Agencies (541810)		B Enter code from instructions ▶ 5 4 1 8 1 0
C Business name. If no separate business name, leave blank. Spencer		D Employer ID number (EIN) (see instr.) [REDACTED]
E Business address (including suite or room no.) ▶ [REDACTED] City, town or post office, state, and ZIP code Mesa, Arizona 85213		
F Accounting method: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶		
G Did you "materially participate" in the operation of this business during 2020? If "No," see instructions for limit on losses		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
H If you started or acquired this business during 2020, check here		<input checked="" type="checkbox"/>
I Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions		<input type="checkbox"/> Yes <input type="checkbox"/> No
J If "Yes," did you or will you file required Form(s) 1099?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked ▶ <input type="checkbox"/>	1	62100
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	62100
4 Cost of goods sold (from line 42)	4	
5 Gross profit. Subtract line 4 from line 3	5	
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6 ▶	7	62100

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8		18 Office expense (see instructions)	18	
9 Car and truck expenses (see instructions)	9	1230	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		21 Repairs and maintenance	21	
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15		23 Taxes and licenses	23	
16 Interest (see instructions):			24 Travel and meals:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	
b Other	16b		b Deductible meals (see instructions)	24b	
17 Legal and professional services	17		25 Utilities	25	980
18 Total expenses before expenses for business use of home. Add lines 8 through 27a ▶	28		26 Wages (less employment credits)	26	
29 Tentative profit or (loss). Subtract line 28 from line 7	29		27a Other expenses (from line 48)	27a	
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions. Simplified method filers only: Enter the total square footage of (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30		27b Reserved for future use	27b	
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 3 , and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31	59610			
32 If you have a loss, check the box that describes your investment in this activity. See instructions. • If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 3 , and on Schedule SE, line 2 . (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3 . • If you checked 32b, you must attach Form 6198 . Your loss may be limited.					32a <input type="checkbox"/> All investment is at risk. 32b <input type="checkbox"/> Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11334P

Schedule C (Form 1040) 2020

Part III Cost of Goods Sold (see instructions)

33 Method(s) used to value closing inventory: **a** Cost **b** Lower of cost or market **c** Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? Yes No
If "Yes," attach explanation

35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35
36 Purchases less cost of items withdrawn for personal use	36
37 Cost of labor. Do not include any amounts paid to yourself	37
38 Materials and supplies	38
39 Other costs	39
40 Add lines 35 through 39	40
41 Inventory at end of year	41
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4	42

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month/day/year) ▶ / /

44 Of the total number of miles you drove your vehicle during 2020, enter the number of miles you used your vehicle for:
a Business **b** Commuting (see instructions) **c** Other

45 Was your vehicle available for personal use during off-duty hours? Yes No

46 Do you (or your spouse) have another vehicle available for personal use? Yes No

47a Do you have evidence to support your deduction? Yes No

b If "Yes," is the evidence written? Yes No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

48 Total other expenses. Enter here and on line 27a	48



**Paycheck Protection Program
Second Draw Borrower Application Form
Revised March 18, 2021**

OMB Control No.: 3245-0417
Expiration Date: 9/30/2021

Check One: <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input checked="" type="checkbox"/> Independent contractor <input type="checkbox"/> Self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Other 501(c) organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal business <input type="checkbox"/> Other	DBA or Tradename (if applicable)	Year of Establishment (if applicable)
		2021
Business Legal Name		NAICS Code
Nathan Reis		541600
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed)		Business TIN (EIN, SSN, ITIN)
[REDACTED] Scottsdale, Arizona		[REDACTED]
85251		Business Phone
		[REDACTED]
		Primary Contact
		Nathan Reis
		Email Address
		[REDACTED]@gmail.com

Average Monthly Payroll:	\$ 8333	x 2.5 (or x 3.5 for NAICS 72 applicants) equals Loan Request Amount (may not exceed \$2,000,000):	\$ 20832	Number of Employees (including affiliates, if applicable; may not exceed 300 unless "per location" exception applies):	1
Purpose of the loan (select all that apply):	<input checked="" type="checkbox"/> Payroll Costs	<input checked="" type="checkbox"/> Rent / Mortgage Interest	<input checked="" type="checkbox"/> Utilities	<input checked="" type="checkbox"/> Covered Operations Expenditures	
	<input type="checkbox"/> Covered Property Damage	<input type="checkbox"/> Covered Supplier Costs	<input type="checkbox"/> Covered Worker Protection Expenditures	<input checked="" type="checkbox"/> Other (explain):	
PPP First Draw SBA Loan Number:	3510607208				

Reduction in Gross Receipts of at Least 25% (Applicants for loans of \$150,000 or less may leave blank but must provide upon or before seeking loan forgiveness or upon SBA request):	2020 Quarter (e.g., 2Q 2020):	Quarter 4 - 2020	Reference Quarter (e.g., 2Q 2019):	Quarter 4 - 2019
	Gross Receipts:	\$ 5000	Gross Receipts	\$ 19930

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN, ITIN)	Address
Nathan Reis	Owner	100	[REDACTED]	[REDACTED] Scottsdale, AZ, 85251

PPP Applicant Demographic Information (Optional)

Veteran/gender/race/ethnicity data is collected for program reporting purposes only. Disclosure is voluntary and will have no bearing on the loan application decision.

Principal Name	Nathan Reis	Principal Position	Owner
	Select Response Below:		
Veteran	<input type="checkbox"/> Non-Veteran; <input checked="" type="checkbox"/> Veteran; <input type="checkbox"/> Service-Disabled Veteran; <input type="checkbox"/> Spouse of Veteran; <input type="checkbox"/> Not Disclosed		
Gender	<input checked="" type="checkbox"/> Male; <input type="checkbox"/> Female; <input type="checkbox"/> Not Disclosed		
Race (more than 1 may be selected)	<input type="checkbox"/> American Indian or Alaska Native; <input type="checkbox"/> Asian; <input checked="" type="checkbox"/> Black or African-American; <input type="checkbox"/> Native Hawaiian or Pacific Islander; <input type="checkbox"/> White; <input type="checkbox"/> Not Disclosed		
Ethnicity	<input type="checkbox"/> Hispanic or Latino; <input checked="" type="checkbox"/> Not Hispanic or Latino; <input type="checkbox"/> Not Disclosed		



**Paycheck Protection Program
Second Draw Borrower Application Form
Revised March 18, 2021**

If questions (1), (2), (4), or (5) are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency (other than a Federal student loan made or guaranteed through a program administered by the Department of Education) that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management (including a management agreement) with any other business? If yes, list all such businesses (including their TINs if available) and describe the relationship on a separate sheet identified as addendum A.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction? Initial here to confirm your response to question 4 → _____ NR _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. Within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 5 → _____ NR _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Is the United States the principal place of residence for all employees included in the Applicant's payroll calculation above?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Is the Applicant a franchise?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8. Is the franchise listed in SBA's Franchise Directory? If yes, enter SBA Franchise Identifier Code here: _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>



**Paycheck Protection Program
Second Draw Borrower Application Form
Revised March 18, 2021**

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) and the Department of the Treasury (Treasury) implementing Second Draw Paycheck Protection Program Loans under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and Title V of the American Rescue Plan Act of 2021 (the Paycheck Protection Program Rules).
- The Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) employs no more than 300 employees; (3) if NAICS 72, employs no more than 300 employees per physical location; (4) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business, a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, or an Internet-only news or periodical publisher assigned NAICS code 519130 and engaged in the collection and distribution of local or regional and national news and information, employs no more than 300 employees per location; or (5) if a 501(c)(3) organization, an eligible 501(c)(6) organization, other eligible 501(c) organization, eligible destination marketing organization, employs no more than 300 employees per physical location.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rules including the prohibition on using loan proceeds for lobbying activities and expenditures. If Applicant is a news organization that became eligible for a loan under Section 317 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, proceeds of the loan will be used to support expenses at the component of the business concern that produces or distributes locally focused or emergency information. If the Applicant is an Internet-only news or periodical publisher that became eligible for a loan under Section 5001 of the American Rescue Plan Act of 2021, the proceeds of the loan will be used to support expenses at the component of the business or organization that supports local or regional news.
- I understand that SBA encourages the purchase, to the extent feasible, of American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

- NR The Applicant was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees, or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.
- NR Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- NR The Applicant has realized a reduction in gross receipts in excess of 25% relative to the relevant comparison time period. For loans greater than \$150,000, Applicant has provided documentation to the lender substantiating the decline in gross receipts. For loans of \$150,000 or less, Applicant will provide documentation substantiating the decline in gross receipts upon or before seeking loan forgiveness for the Second Draw Paycheck Protection Program Loan or upon SBA request.
- NR The Applicant received a First Draw Paycheck Protection Program Loan and, before the Second Draw Paycheck Protection Program Loan is disbursed, will have used the full loan amount (including any increase) of the First Draw Paycheck Protection Program Loan only for eligible expenses.
- NR The funds will be used to retain workers and maintain payroll; or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures as specified under the Paycheck Protection Program Rules; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.
- NR I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, covered utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures, and not more than 40% of the forgiven amount may be for non-payroll costs. If required, the Applicant will provide to the Lender and/or SBA documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of eligible expenses for the covered period following this loan.
- NR The Applicant has not and will not receive another Second Draw Paycheck Protection Program Loan.



**Paycheck Protection Program
Second Draw Borrower Application Form
Revised March 18, 2021**

NR The Applicant has not been approved for a Shuttered Venue Operator (SVO) grant from SBA as of the date of this loan application, and the Applicant acknowledges that if the Applicant is approved for an SVO grant before SBA issues a loan number for this loan, the Applicant is ineligible for the loan and acceptance of any loan proceeds will be considered an unauthorized use.

NR The President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act.

NR The Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f).

NR The Applicant is not a business concern or entity (a) for which an entity created in or organized under the laws of the People's Republic of China or the Special Administrative Region of Hong Kong, or that has significant operations in the People's Republic of China or the Special Administrative Region of Hong Kong, owns or holds, directly or indirectly, not less than 20 percent of the economic interest of the business concern or entity, including as equity shares or a capital or profit interest in a limited liability company or partnership; or (b) that retains, as a member of the board of directors of the business concern, a person who is a resident of the People's Republic of China.

NR The Applicant is not required to submit a registration statement under section 2 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 612).

NR The Applicant is not a business concern or entity primarily engaged in political or lobbying activities, including any entity that is organized for research or for engaging in advocacy in areas such as public policy or political strategy or otherwise describes itself as a think tank in any public documents.

NR I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

NR I acknowledge that the Lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge, and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.



Signature of Authorized Representative of Applicant

2/5/2021

Date

Nathan Reiss

Print Name

Owner

Title



**Paycheck Protection Program
Second Draw Borrower Application Form
Revised March 18, 2021**

Purpose of this form:

This form is to be completed by the authorized representative of the Applicant and **submitted to your SBA Participating Lender**. Submission of the requested information is required to make a determination regarding eligibility for financial assistance. Failure to submit the information would affect that determination.

An Applicant that files an IRS Form 1040, Schedule C, and elects to calculate the PPP loan amount using net profit must use this form. *An Applicant that files an IRS Form 1040, Schedule C, and elects to calculate the PPP loan amount using gross income cannot use this form, and instead must use SBA Form 2483-SD-C.* An Applicant that files an IRS Form 1040, Schedule F, and calculates the PPP loan amount using gross income must also use this form.

Instructions for completing this form:

With respect to Purpose of the Loan, payroll costs consist of compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave (except those paid leave amounts for which a credit is allowed under FFCRA Sections 7001 and 7003); allowance for separation or dismissal; payment for the provision of employee benefits (including insurance premiums) consisting of group health care coverage, group life, disability, vision, or dental insurance, and retirement benefits; payment of state and local taxes assessed on compensation of employees; and, for an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation.

For purposes of calculating Average Monthly Payroll, most Applicants will use the average monthly payroll for 2019 or 2020, excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For seasonal businesses, the Applicant may elect to instead use average total monthly payroll for any twelve-week period selected by the Applicant between February 15, 2019 and February 15, 2020, excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For new businesses without 12 months of payroll costs but that were in operation on February 15, 2020, average monthly payroll may be calculated based on the number of months in which payroll costs were incurred, excluding costs over \$100,000 on an annualized basis for each employee, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For farmers and ranchers that operate as a sole proprietorship or as an independent contractor, or who are eligible self-employed individuals (including single member LLCs and qualified joint ventures) and report farm income or expenses on a Schedule F (or any equivalent successor IRS form), payroll costs are computed using eligible payroll costs for employees, if any, plus the lesser of \$100,000 and the difference between gross income and any eligible payroll costs for employees, as reported on a Schedule F. For Applicants that file IRS Form 1040, Schedule C, and elect to calculate the PPP loan amount using net profit, payroll costs are computed using line 31 net profit amount, limited to \$100,000, plus any eligible payroll costs for employees (to calculate loan amount using gross income, see SBA Form 2483-SD-C). For Applicants that are partnerships, payroll costs are computed using net earnings from self-employment of individual general partners, as reported on IRS Form 1065 K-1, reduced by section 179 expense deduction claimed, unreimbursed partnership expenses claimed, and depletion claimed on oil and gas properties, multiplied by 0.9235, that is not more than \$100,000, plus any eligible payroll costs for employees.

For Schedule F filers, if the Applicant is a qualified joint venture for federal income tax purposes ((1) the only members of the joint venture are a married couple who file a joint return and each file Schedule F, (2) both spouses materially participate in the trade or business, and (3) both spouses elect not to be treated as a partnership), only one spouse may submit this form on behalf of the qualified joint venture. For purposes of calculating the loan amount using gross income (Schedule F filers only), use the sum of gross income (Schedule F, line 9) from both spouses.

In determining whether the Applicant experienced at least a 25% reduction in gross receipts, for loans above \$150,000, the Applicant must identify the 2020 quarter meeting this requirement, identify the reference quarter, and state the gross receipts amounts for both quarters, as well as provide supporting documentation. For loans of \$150,000 and below, these fields are not required and the Applicant only must certify that the Applicant has met the 25% gross receipts reduction at the time of application; however, upon or before seeking loan forgiveness (or upon SBA request) the Applicant must provide documentation that identifies the 2020 quarter meeting this requirement, identifies the reference quarter, states the gross receipts amounts for both quarters, and supports the amounts provided. For all loans, the appropriate reference quarter depends on how long the Applicant has been in operation:

- For all Applicants other than those satisfying the conditions set forth below, Applicants must demonstrate that gross receipts in any quarter of 2020 were at least 25% lower than the same quarter of 2019. Alternatively, Applicants may compare annual gross receipts in 2020 with annual gross receipts in 2019; Applicants choosing to use annual gross receipts must enter “Annual” in the 2020 Quarter and Reference Quarter fields and, as required documentation, must submit copies of annual tax forms substantiating the annual gross receipts reduction.
- For Applicants not in business during the first and second quarters of 2019 but in operation during the third and fourth quarters of 2019, Applicants must demonstrate that gross receipts in any quarter of 2020 were at least 25% lower than either the third or fourth quarters of 2019.
- For Applicants not in business during the first, second, and third quarters of 2019 but in operation during the fourth quarter of 2019, Applicants must demonstrate that gross receipts in any quarter of 2020 were at least 25% lower than the fourth quarter of 2019.
- For Applicants not in business during 2019 but in operation on February 15, 2020, Applicants must demonstrate that gross receipts in the second, third, or fourth quarter of 2020 were at least 25% lower than the first quarter of 2020.

Gross receipts includes all revenue in whatever form received or accrued (in accordance with the Applicant’s accounting method) from whatever source, including from the sales of products or services, interest, dividends, rents, royalties, fees, or commissions, reduced by returns and allowances. Generally, receipts are considered “total income” (or in the case of a sole proprietorship “gross income”) plus “cost of goods sold” and excludes net capital gains or losses as these terms are defined and reported on IRS tax return forms. Gross receipts do not include the following: taxes collected for and remitted to a taxing authority if included in gross or total income, such as sales or other taxes collected from customers and excluding taxes levied on the concern or its employees; proceeds from transactions between a concern and its domestic or foreign affiliates; and amounts collected for another by a travel agent, real estate agent, advertising agent, conference management service provider, freight forwarder or customs broker. All other items, such as subcontractor costs, reimbursements for purchases a contractor makes at a customer’s request, investment income, and employee-based costs such as payroll taxes, may not be excluded from gross receipts. Gross receipts of an Applicant must be aggregated with gross receipts of its affiliates. For a nonprofit organization, veterans



**Paycheck Protection Program
Second Draw Borrower Application Form
Revised March 18, 2021**

organization, nonprofit news organization, 501(c)(6) organization, and destination marketing organization, gross receipts has the meaning in section 6033 of the Internal Revenue Code of 1986.

For purposes of reporting Number of Employees, sole proprietors, self-employed individuals, and independent contractors should include themselves as employees (i.e., the minimum number in the box Number of Employees is one). For NAICS 72, eligible news organizations, 501(c)(3) organizations, eligible 501(c)(6) organizations, other eligible 501(c) organizations, eligible destination marketing organizations, or Internet-only news or periodical publishers assigned NAICS code 519130, applicants may not exceed 300 employees per physical location. Applicants may use their average employment over the time period used to calculate their aggregate payroll costs to determine their number of employees. Alternatively, Applicants may elect to use the average number of employees per pay period in the 12 completed calendar months prior to the date of the loan application.

For purposes of reporting Year of Establishment, self-employed individuals and independent contractors may enter "NA".

For purposes of reporting NAICS Code, applicants must match the business activity code provided on their IRS income tax filings, if applicable. For purposes of calculating an Applicant's maximum payroll costs, an Applicant may multiply its average monthly payroll costs by 3.5 only if the Applicant is in the Accommodation and Food Services sector and has reported a NAICS code beginning with 72 as its business activity code on its most recent IRS income tax return.

All parties listed below are considered owners of the Applicant:

- For a sole proprietorship, the sole proprietor;
- For a partnership, all general partners, and all limited partners owning 20% or more of the equity of the firm;
- For a corporation, all owners of 20% or more of the corporation;
- For limited liability companies, all members owning 20% or more of the company; and
- Any Trustor (if the Applicant is owned by a trust).

For purposes of reporting (optional) demographic information:

1. **Purpose.** Veteran/gender/race/ethnicity data is collected for program reporting purposes only.
2. **Description.** This form requests information about each of the Applicant's Principals. Add additional sheets if necessary.
3. **Definition of Principal.** The term "Principal" means:
 - For a self-employed individual, independent contractor, or a sole proprietor, the self-employed individual, independent contractor, or sole proprietor.
 - For a partnership, all general partners and all limited partners owning 20% or more of the equity of the Applicant, or any partner that is involved in the management of the Applicant's business.
 - For a corporation, all owners of 20% or more of the Applicant, and each officer and director.
 - For a limited liability company, all members owning 20% or more of the Applicant, and each officer and director.
 - Any individual hired by the Applicant to manage the day-to-day operations of the Applicant ("key employee").
 - Any trustor (if the Applicant is owned by a trust).
 - For a nonprofit organization, the officers and directors of the Applicant.
4. **Principal Name.** Insert the full name of the Principal.
5. **Principal Position.** Identify the Principal's position; for example, self-employed individual; independent contractor; sole proprietor; general partner; owner; officer; director; member; or key employee.

Paperwork Reduction Act – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 8 minutes. Comments about this time or the information requested should be sent to: Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**

Privacy Act (5 U.S.C. 552a) – Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. (But see Debt Collection Notice regarding taxpayer identification number below.) Disclosures of name and other personal identifiers are required to provide SBA with sufficient information to make a character determination. When evaluating character, SBA considers the person's integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 U.S.C. 636(a)(1)(B) of the Small Business Act.

Disclosure of Information – Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act. The Privacy Act authorizes SBA to make certain "routine uses" of information protected by that Act. One such routine use is the disclosure of information maintained in SBA's system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies' function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses. In addition, the CARES Act, requires SBA to register every loan made under the Paycheck Protection Program using the Taxpayer Identification Number (TIN) assigned to the borrower.



**Paycheck Protection Program
Second Draw Borrower Application Form
Revised March 18, 2021**

Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles) – SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice, or (6) take other action permitted in the loan instruments.

Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) – The Right to Financial Privacy Act of 1978, grants SBA access rights to financial records held by financial institutions that are or have been doing business with you or your business including any financial institutions participating in a loan or loan guaranty. SBA is only required provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records. SBA's access rights continue for the term of any approved loan guaranty agreement. SBA is also authorized to transfer to another Government authority any financial records concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.

Freedom of Information Act (5 U.S.C. 552) – This law provides, with some exceptions, that SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that is generally released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers, the amount of the loan, and the type of the loan. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

Occupational Safety and Health Act (15 U.S.C. 651 et seq.) – The Occupational Safety and Health Administration (OSHA) can require businesses to modify facilities and procedures to protect employees. Businesses that do not comply may be fined and required to abate the hazards in their workplaces. They may also be ordered to cease operations posing an imminent danger of death or serious injury until employees can be protected. Signing this form is certification that the applicant, to the best of its knowledge, is in compliance with the applicable OSHA requirements, and will remain in compliance during the life of the loan.

Civil Rights (13 C.F.R. 112, 113, 117) – All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. All borrowers must display the "Equal Employment Opportunity Poster" prescribed by SBA.

Equal Credit Opportunity Act (15 U.S.C. 1691) – Creditors are prohibited from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

Debarment and Suspension Executive Order 12549 (2 C.F.R. Part 180 and Part 2700) – By submitting this loan application, you certify that neither the Applicant or any owner of the Applicant have within the past three years been: (a) debarred, suspended, declared ineligible or voluntarily excluded from participation in a transaction by any Federal Agency; (b) formally proposed for debarment, with a final determination still pending; (c) indicted, convicted, or had a civil judgment rendered against you for any of the offenses listed in the regulations or (d) delinquent on any amounts owed to the U.S. Government or its instrumentalities as of the date of execution of this certification.

- Add favorite Favorites list
- Global Actions
Global Actions
- Learning Paths
- Salesforce Help
- 0 Notifications
- User
- View profile

- App Launcher
 Investigations App
 Press Spacebar to reorder.
[Accounts](#)
 Accounts Menu
[Cases](#)
 Cases Menu
[Loans](#)
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 Dashboards Menu
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 Reports Menu
 MoreShow More
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Accounts

AccountsRecently Viewed

- Select a List View
- This list is pinned

- Discover Companies

50+ items • Updated 3 minutes ago

Search this list...

Employees isn't searchable. Use filters or sort on this field instead.

List View Controls

Display as Table

- Refresh
- Show charts
- Show filters

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 Hang tight or select a different list view.

Item Number	SortAccount Name Column Actions	SortType Column Actions	SortTIN Column Actions	SortLegal Structure Column Actions	SortEmployee Column Actions
	Nathan Reis	Customer		Independent Contractor	1
		Customer		Sole Proprietorship (Unregistered)	1
		Customer		Sole Proprietorship (Unregistered)	1
		Customer		Sole Proprietorship (Unregistered)	1



Customer
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Sole Proprietorship (Unregistered) 1
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You haven't viewed any Accounts recently.

Try switching list views.

Cancel Save

Tabs

- Details
- News

Account Name
 Nathan Reis
 Type
 Customer
 DBA Name
 Account Owner

Open Preview

Phone
 Parent Account
 Website
 Name on Bank Account
 Employees
 1
 ChimeHasValidated
 ChimeHasValidated
 Account Record Type
 Customer
 Email History Report
[View Report](#)
 Share With Underwriting
 Share With Underwriting
 Lender Access
 capitalplus

Address Information

Billing Address

Scottsdale, Arizona 85251
[United States](#)

Shipping Address

[United States](#)

Description

Industry
NAICS Code
541,600
Description
Business Consultant

Legal Information

Legal Structure
Independent Contractor
Date of Formation
1/10/2021
State of Formation
Qualified Small Business
Yes
Franchise
No
Franchise Code
TIN
Help TIN

Jotform Submission Id
Taxpayer ID Type
SSN

Demographics

Minority Owned
Yes
Woman Owned
Veteran Owned

Bank Information

Bank Name
Bank of America
Bank Account Number
Prepaid Routing Number
Bank Routing Number
Prepaid Account Number

Special Classifications

Opportunity Zone
Qualified Census Tract
HUBZone
Rural Business

System Information

Created By
[Integration User](#) Open Integration User Preview
, 2/5/2021, 1:33 PM
Last Modified By
[GBA API](#) Open GBA API Preview
, 9/19/2021, 7:36 AM

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Help

[Related Contacts \(1\)](#) Open Related Contacts (1) Preview

[Loans \(1\)](#) [Open Loans \(1\) Preview](#)

[Cases \(0\)](#) [Open Cases \(0\) Preview](#)



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Files

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05bf3c27-bfff-4d9d-b4f4-283d0c582b35.png

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[Preview Image](#)

- Drivers License - IMG_0332.jpeg

Document Type: Drivers License



- Bank Statement - eStmt_2020-02-26 (1).pdf

Document Type: Bank Statement



- Voided Check - Screen Shot 2021-01-10 at 10.57.45 PM.png

Document Type: Voided Check



- Schedule C - 2019 Nate Reis IC Schedule C Only.pdf

Document Type: Schedule C



- Other - Feb 2020 Consulting Invoice.pdf

Document Type: Other



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Related Contacts(1)

Show actions for this object

- [Nathan Reis](#)

Show Actions

- o Title:
Owner
- o Email:
[REDACTED]@gmail.com
- o Mobile:
[REDACTED]

[View AllRelated Contacts](#)

Loans(1)

[BA-20006084](#) Open BA-20006084 Preview

Primary Applicant:

Nathan Reis

Business Name:

Nathan Reis

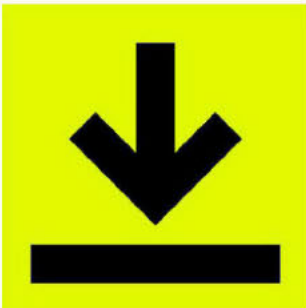
DBA:

Show Actions

[View AllLoans](#)

Cases(0)

Show actions for this object



[DocuSign Status\(0\)](#)

Account History(1)

Show actions for this object

Date: 2/5/2021, 1:33 PM

Field: Created.

User: [Integration User](#)

Original Value:

New Value:

[View AllAccount History](#)



No record selected

Open a record from the list to get started.

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P.O. Box 15284
Wilmington, DE 19850

NATHAN J REIS

SCOTTSDALE, AZ 85251-7667

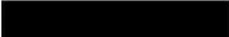
Customer service information

-  Customer service: 1.800.432.1000
- TDD/TTY users only: 1.800.288.4408
- En Español: 1.800.688.6086
-  bankofamerica.com
-  Bank of America, N.A.
P.O. Box 25118
Tampa, FL 33622-5118

Your Adv Plus Banking

for January 30, 2020 to February 26, 2020

NATHAN J REIS

Account number: 

Account summary

Beginning balance on January 30, 2020	\$1,160.36
Deposits and other additions	1,450.00
ATM and debit card subtractions	-978.02
Other subtractions	-668.00
Checks	-0.00
Service fees	-2.50
Ending balance on February 26, 2020	\$961.84

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SSM-10-19-0670.C | 2841280

IMPORTANT INFORMATION: BANK DEPOSIT ACCOUNTS

How to Contact Us - You may call us at the telephone number listed on the front of this statement.

Updating your contact information - We encourage you to keep your contact information up-to-date. This includes address, email and phone number. If your information has changed, the easiest way to update it is by visiting the Help & Support tab of Online Banking.

Deposit agreement - When you opened your account, you received a deposit agreement and fee schedule and agreed that your account would be governed by the terms of these documents, as we may amend them from time to time. These documents are part of the contract for your deposit account and govern all transactions relating to your account, including all deposits and withdrawals. Copies of both the deposit agreement and fee schedule which contain the current version of the terms and conditions of your account relationship may be obtained at our financial centers.

Electronic transfers: In case of errors or questions about your electronic transfers - If you think your statement or receipt is wrong or you need more information about an electronic transfer (e.g., ATM transactions, direct deposits or withdrawals, point-of-sale transactions) on the statement or receipt, telephone or write us at the address and number listed on the front of this statement as soon as you can. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared.

- Tell us your name and account number.
- Describe the error or transfer you are unsure about, and explain as clearly as you can why you believe there is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

For consumer accounts used primarily for personal, family or household purposes, we will investigate your complaint and will correct any error promptly. If we take more than 10 business days (10 calendar days if you are a Massachusetts customer) (20 business days if you are a new customer, for electronic transfers occurring during the first 30 days after the first deposit is made to your account) to do this, we will provisionally credit your account for the amount you think is in error, so that you will have use of the money during the time it will take to complete our investigation.

For other accounts, we investigate, and if we find we have made an error, we credit your account at the conclusion of our investigation.

Reporting other problems - You must examine your statement carefully and promptly. You are in the best position to discover errors and unauthorized transactions on your account. If you fail to notify us in writing of suspected problems or an unauthorized transaction within the time period specified in the deposit agreement (which periods are no more than 60 days after we make the statement available to you and in some cases are 30 days or less), we are not liable to you and you agree to not make a claim against us, for the problems or unauthorized transactions.

Direct deposits - If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you may call us to find out if the deposit was made as scheduled. You may also review your activity online or visit a financial center for information.

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Withdrawals and other subtractions - continued

ATM and debit card subtractions - continued

Date	Description	Amount
[REDACTED]		
Total ATM and debit card subtractions		-\$978.02

Other subtractions

Date	Description	Amount
[REDACTED]		
Total other subtractions		-\$668.00

Service fees

Date	Transaction description	Amount
[REDACTED]		
Total service fees		-\$2.50

Note your Ending Balance already reflects the subtraction of Service Fees.

FROM:

Nathan Reis

[REDACTED]
Scottsdale, AZ 85251

[REDACTED]@gmail.com

TO

Stephanie Hockridge

Body Politix

[REDACTED]
Scottsdale, AZ 85251

[REDACTED]@juuice.com

Invoice No: 10152

Invoice Date: Jan 1st, 2020

Due: Feb 1st, 2020

Item	HRS/QTY	Rate	Tax	Subtotal
Agency Consulting	1	8000		USD 8,000.00

Invoice Summary

Subtotal USD 8,000.00

Total USD 8,000.00



Paycheck Protection Program
Lender's Application - Second Draw Loan Guaranty
Revised March 18, 2021

OMB Control No.: 3245-0417
 Expiration Date: 9/30/2021

The purpose of this form is to collect identifying information about the Lender, the Applicant, the loan guaranty request, sources and uses of funds, the proposed structure (which includes pricing and the loan term), and compliance with SBA Loan Program Requirements. This form reflects the data fields that will be collected electronically from lenders; no paper version of this form is required or permitted to be submitted. As used in this application, "Paycheck Protection Program Rules" refers to the rules in effect at the time you submit this application that have been issued by the Small Business Administration (SBA) and the Department of the Treasury implementing the Paycheck Protection Program, including Second Draw Paycheck Protection Program Loans, under Division A, Title I of the Coronavirus Aid, Relief, Economic Security Act and Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and Title V of the American Rescue Plan Act of 2021.

Instructions for Lenders

All Second Draw Paycheck Protection Program (PPP) Loans are processed by all Lenders under delegated authority from SBA. This application must be submitted and signed electronically in accordance with program requirements, and the information requested is to be retained in the Lender's loan file.

A. Lender Information			
Lender Name:	Capital Plus Financial, LLC	Lender Location ID:	529472
Address:	2247 Central Drive	City:	Bedford
		St:	TX
		Zip:	76021
Lender Contact:	Farzana Giga	Ph:	[REDACTED]
		Cell or Ext:	() -
Contact Email:	[REDACTED]@capitalplusfin.com	Title:	CFO

B. Applicant Information <i>(All Applicant Ownership information provided by the Applicant on the 2483-SD or 2483-SD-C must also be submitted electronically)</i>				
Check One: <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input checked="" type="checkbox"/> Independent contractor <input type="checkbox"/> Self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> Single member LLC (self-employed individual) <input type="checkbox"/> Qualified joint venture (self-employed individual) <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Other 501(c) organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal business <input type="checkbox"/> Other				
Applicant Legal Name:	Nathan Reis	NAICS Code:	541600	
DBA or Tradename (if applicable):		Business Tax ID:	[REDACTED]	
Year of Establishment (if applicable):	2021	Number of Employees:	1	
Applicant Street Address (no P.O. Box Addresses Allowed):	[REDACTED]	City, State, Zip:	Scottsdale, Arizona 85251	
Applicant Primary Contact:	Nathan Reis	Phone:	[REDACTED]	
SBA Loan Number for First Draw PPP Loan : 3510607208				
Reduction in Gross Receipts of at Least 25% (must provide for loans of more than \$150,000; provide for loans of \$150,000 or less ONLY if Applicant provided documentation and lender performed good faith review):	2020 Quarter:	Quarter 4 - 2020	Reference Quarter:	Quarter 4 - 2019
	Gross Receipts \$	5000	Gross Receipts: \$	19930
Complete this line only if Applicant submitted SBA Form 2483-SD-C:	Total Gross Income (from IRS Form 1040, Schedule C, Line 7)		Tax Year Used for Gross Income	
	\$ 0		<input type="checkbox"/> 2019 <input checked="" type="checkbox"/> 2020	

C. Loan Structure Information							
Amount of Loan Request:	\$ 20832	Guarantee %:	100%	Loan Term in # of Months:	60	Payment:	Deferred
Applicant must provide documentation to Lender supporting how the loan amount was calculated in accordance with the Paycheck Protection Program Rules, and Lender must retain all such supporting documentation in Lender's file.							
Interest Rate:	1% (calculated on a non-compounding, non-adjustable basis)						

D. Loan Amount Information	
Average Monthly Payroll multiplied by 2.5 (or multiplied by 3.5 for NAICS 72 applicants) <i>If Applicant submitted SBA Form 2483-SD-C, use the amount entered in B in either table, plus the amount entered in C for Applicants with employees (if applicable), multiplied by 2.5 (or multiplied by 3.5 for NAICS 72 applicants)</i>	\$ 20832
Total <i>(may not exceed \$2,000,000)</i>	\$ 20832

E. General Eligibility (If the answer is no to any, the loan cannot be approved)

- The Applicant has certified to the Lender that (1) it was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC; (2) current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant; (3) it received a First Draw Paycheck Protection Program Loan and, before the Second Draw PPP Loan is disbursed, will have used the full loan amount (including any increase) of the First Draw Paycheck Protection Program Loan only for eligible expenses; (4) the funds will be used to retain workers and maintain payroll, or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures. Yes No
- The Applicant has certified to the Lender that it has realized a reduction in gross receipts in excess of 25% relative to the relevant comparison time period. For loans greater than \$150,000 (or if the loan is \$150,000 or less and the Applicant provides documentation of revenue reduction with its application), the Applicant has provided documentation to the Lender substantiating the decline in gross receipts and the Lender has confirmed the dollar amount and percentage of the Applicant's decline in gross receipts by performing a good faith review, in a reasonable time, of the Applicant's calculations and of the gross receipts documentation provided by the Applicant. For loans of \$150,000 or less that have not provided documentation, the Applicant has certified to the Lender that it will provide documentation substantiating the decline in gross receipts upon or before seeking loan forgiveness or upon SBA request. Yes No
- The Applicant has certified to the Lender that the Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) employs no more than 300 employees; (3) if NAICS 72, employs no more than 300 employees per physical location; (4) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business, a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, or an Internet-only news or periodical publisher assigned NAICS code 519130 and engaged in the collection and distribution of local or regional and national news and information, employs no more than 300 employees per location; or (5) if a 501(c)(3) organization, an eligible 501(c)(6) organization, other eligible 501(c) organization, or eligible destination marketing organization, employs no more than 300 employees per physical location. Yes No
- The Applicant has certified to the Lender that (1) it has not been approved for a Shuttered Venue Operator (SVO) grant from SBA as of the date of the loan application, and acknowledged that if the Applicant is approved for an SVO grant before SBA issues a loan number for the loan, the Applicant is ineligible for the loan and acceptance of any loan proceeds will be considered an unauthorized use; (2) the President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act; (3) the Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f); (4) the Applicant is not a business concern or entity (a) for which an entity created in or organized under the laws of the People's Republic of China or the Special Administrative Region of Hong Kong, or that has significant operations in the People's Republic of China or the Special Administrative Region of Hong Kong, owns or holds, directly or indirectly, not less than 20 percent of the economic interest of the business concern or entity, including as equity shares or a capital or profit interest in a limited liability company or partnership; or (b) that retains, as a member of the board of directors of the business concern, a person who is a resident of the People's Republic of China; (5) the Applicant is not required to submit a registration statement under section 2 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 612); and (6) the Applicant is not a business concern or entity primarily engaged in political or lobbying activities, including any entity that is organized for research or for engaging in advocacy in areas such as public policy or political strategy or otherwise describes itself as a think tank in any public documents. Yes No
- The Applicant has certified to the Lender that the Applicant has not and will not receive another Second Draw Paycheck Protection Program Loan. Yes No

F. Applicant Certification of Eligibility (If not true, the loan cannot be approved)

- The Applicant has certified to the Lender that the Applicant is eligible under the Paycheck Protection Program Rules. True

G. Franchise/License/Jobber/Membership or Similar Agreement (If a franchise and not listed in the SBA Franchise Directory, the loan cannot be approved)

- The Applicant has represented to the Lender that it is a franchise. Yes No
- The Applicant has represented that the franchise is listed in SBA's Franchise Directory. Yes No
- If Yes, enter the SBA Franchise Identifier Code here: _____

H. Character Determination (If no, the loan cannot be approved)

- The Applicant has represented to the Lender that neither the Applicant (if an individual) nor any individual owning 20% or more of the equity of the Applicant is presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction. Yes No
- The Applicant has represented to the Lender that neither the Applicant (if an individual) nor any owner of the Applicant has within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance: 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment). Yes No

I. Prior Loss to Government/Delinquent Federal Debt (If no, the loan cannot be approved)		
• The Applicant has certified to the Lender that neither the Applicant nor any owner is presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
• The Applicant has certified to the Lender that neither the Applicant nor any of its owners, nor any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency (other than a Federal student loan made or guaranteed through a program administered by the Department of Education) that is (a) currently delinquent or (b) has defaulted in the last 7 years and caused a loss to the government.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
J. U.S. Employees (If no, the loan cannot be approved)		
• The Applicant has certified that the principal place of residence for all employees included in the Applicant's payroll calculation is the United States.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
K. Fees (If yes, Lender may not pass any agent fee through to the Applicant or offset or pay the fee with the proceeds of this loan)		
• Has the Lender directly contracted with a third party to assist in the preparation of the loan application or application materials, or to perform other services in connection with this loan?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

SBA Certification to Financial Institution under Right to Financial Privacy Act (12 U.S.C. 3401)

By signing SBA Form 2483-SD or 2483-SD-C, Borrower Application Form in connection with this application for an SBA-guaranteed loan, the Applicant certifies that it has read the Statements Required by Law and Executive Orders, which is attached to SBA Form 2483-SD or 2483-SD-C. As such, SBA certifies that it has complied with the applicable provisions of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) and, pursuant to that Act, no further certification is required for subsequent access by SBA to financial records of the Applicant/Borrower during the term of the loan guaranty.

Lender Certification

On behalf of the Lender, I certify that:

- The Lender has complied with the applicable lender obligations set forth in paragraphs (h)(2)(i)(A)-(D) of the interim final rule "Paycheck Protection Program Second Draw Loans" (issued on January 6, 2021), and any amendments thereto.
- The Lender has obtained and reviewed the required application (including documents demonstrating qualifying payroll amounts and, if required, qualifying gross receipts reduction) of the Applicant and will retain copies of such documents in the Applicant's loan file.
- The Lender will register in sam.gov no later than thirty (30) days from the date of the first disbursement of a First Draw PPP Loan or Second Draw PPP Loan made by the Lender after January 7, 2021 and will provide SBA with the Lender's unique entity identifier.

I certify that:

- Neither the undersigned Authorized Lender Official, nor such individual's spouse or children, has a financial interest in the Applicant.

Authorized Lender Official: _____ Date: 2/5/2021
 Type or Print Name: Farzana Giga Title: CFO

NOTE: According to the Paperwork Reduction Act, you are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated burden for completing this form, including time for reviewing instructions, gathering data needed, and completing and reviewing the form is 25 minutes per response. Comments or questions on the burden estimates should be sent to U.S. Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Rm. 10202, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**

SCHEDULE C
(Form 1040 or 1040-SR)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2019
Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

▶ Go to www.irs.gov/ScheduleC for instructions and the latest information.

▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor Nathan J Reis		Social security number (SSN) [REDACTED]
A Principal business or profession, including product or service (see instructions) Consulting	B Enter code from instructions ▶ 5 4 1 6 0 0	
C Business name. If no separate business name, leave blank.	D Employer ID number (EIN)(see instr.)	
E Business address (including suite or room no.) ▶ [REDACTED] City, town or post office, state, and ZIP code Scottsdale, AZ 85251-7667		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶		
G Did you "materially participate" in the operation of this business during 2019? If "No," see instructions for limit on losses		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
H If you started or acquired this business during 2019, check here		<input type="checkbox"/>
I Did you make any payments in 2019 that would require you to file Form(s) 1099? (see instructions)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
J If "Yes," did you or will you file required Forms 1099?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked ▶ <input type="checkbox"/>	1	96,000.
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	96,000.
4 Cost of goods sold (from line 42)	4	
5 Gross profit. Subtract line 4 from line 3	5	96,000.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6 ▶	7	96,000.

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8		18 Office expense (see instructions)	18	
9 Car and truck expenses (see instructions).	9		19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions).	13		21 Repairs and maintenance	21	
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	927.
15 Insurance (other than health)	15		23 Taxes and licenses	23	
16 Interest (see instructions):			24 Travel and meals:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	1,483.
b Other	16b		b Deductible meals (see instructions)	24b	
17 Legal and professional services	17		25 Utilities	25	3,548.
28 Total expenses before expenses for business use of home. Add lines 8 through 27a ▶	28		26 Wages (less employment credits)	26	
29 Tentative profit or (loss). Subtract line 28 from line 7	29		27a Other expenses (from line 48)	27a	
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30		27b Reserved for future use	27b	
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040 or 1040-SR), line 3 (or Form 1040-NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31	90,042.			
32 If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both Schedule 1 (Form 1040 or 1040-SR), line 3 (or Form 1040-NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3 . • If you checked 32b, you must attach Form 6198 . Your loss may be limited.					
			32a <input type="checkbox"/> All investment is at risk.		
			32b <input type="checkbox"/> Some investment is not at risk.		



**Paycheck Protection Program
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OMB Control No.: 3245-0417
Expiration Date: 9/30/2021

Check One: <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input checked="" type="checkbox"/> Independent contractor <input type="checkbox"/> Self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Other 501(c) organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal business <input type="checkbox"/> Other	DBA or Tradename (if applicable)	Year of Establishment (if applicable)
		2019
Business Legal Name		NAICS Code
Adam Spencer		522320
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed)		Business TIN (EIN, SSN, ITIN)
[REDACTED] Mesa, Arizona 85213		[REDACTED]
		Business Phone
		[REDACTED]
		Primary Contact
		Adam Spencer
		Email Address
		[REDACTED]@elev8withus.com

Average Monthly Payroll:	\$ 8333	x 2.5 (or x 3.5 for NAICS 72 applicants) equals Loan Request Amount (may not exceed \$2,000,000):	\$ 20832	Number of Employees (including affiliates, if applicable; may not exceed 300 unless "per location" exception applies):	1
Purpose of the loan (select all that apply):	<input checked="" type="checkbox"/> Payroll Costs	<input checked="" type="checkbox"/> Rent / Mortgage Interest	<input checked="" type="checkbox"/> Utilities	<input checked="" type="checkbox"/> Covered Operations Expenditures	
	<input type="checkbox"/> Covered Property Damage	<input checked="" type="checkbox"/> Covered Supplier Costs	<input type="checkbox"/> Covered Worker Protection Expenditures	<input checked="" type="checkbox"/> Other (explain):	
PPP First Draw SBA Loan Number:	4627438101				

Reduction in Gross Receipts of at Least 25% (Applicants for loans of \$150,000 or less may leave blank but must provide upon or before seeking loan forgiveness or upon SBA request):	2020 Quarter (e.g., 2Q 2020):		Reference Quarter (e.g., 2Q 2019):	
	Gross Receipts:	\$	Gross Receipts	\$

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN, ITIN)	Address
Adam Spencer	Owner	100	[REDACTED]	[REDACTED], Mesa, AZ, 85213

PPP Applicant Demographic Information (Optional)

Veteran/gender/race/ethnicity data is collected for program reporting purposes only. Disclosure is voluntary and will have no bearing on the loan application decision.

Principal Name	Adam Spencer	Principal Position	Owner
Select Response Below:			
Veteran	<input checked="" type="checkbox"/> Non-Veteran; <input type="checkbox"/> Veteran; <input type="checkbox"/> Service-Disabled Veteran; <input type="checkbox"/> Spouse of Veteran; <input type="checkbox"/> Not Disclosed		
Gender	<input checked="" type="checkbox"/> Male; <input type="checkbox"/> Female; <input type="checkbox"/> Not Disclosed		
Race (more than 1 may be selected)	<input type="checkbox"/> American Indian or Alaska Native; <input type="checkbox"/> Asian; <input type="checkbox"/> Black or African-American; <input type="checkbox"/> Native Hawaiian or Pacific Islander; <input checked="" type="checkbox"/> White; <input type="checkbox"/> Not Disclosed		
Ethnicity	<input checked="" type="checkbox"/> Hispanic or Latino; <input type="checkbox"/> Not Hispanic or Latino; <input type="checkbox"/> Not Disclosed		



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If questions (1), (2), (4), or (5) are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency (other than a Federal student loan made or guaranteed through a program administered by the Department of Education) that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management (including a management agreement) with any other business? If yes, list all such businesses (including their TINs if available) and describe the relationship on a separate sheet identified as addendum A.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction? Initial here to confirm your response to question 4 → _____ AS _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. Within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 5 → _____ AS _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Is the United States the principal place of residence for all employees included in the Applicant's payroll calculation above?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Is the Applicant a franchise?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8. Is the franchise listed in SBA's Franchise Directory? If yes, enter SBA Franchise Identifier Code here: _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>



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By Signing Below, You Make the Following Representations, Authorizations, and Certifications

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) and the Department of the Treasury (Treasury) implementing Second Draw Paycheck Protection Program Loans under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and Title V of the American Rescue Plan Act of 2021 (the Paycheck Protection Program Rules).
- The Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) employs no more than 300 employees; (3) if NAICS 72, employs no more than 300 employees per physical location; (4) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business, a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, or an Internet-only news or periodical publisher assigned NAICS code 519130 and engaged in the collection and distribution of local or regional and national news and information, employs no more than 300 employees per location; or (5) if a 501(c)(3) organization, an eligible 501(c)(6) organization, other eligible 501(c) organization, eligible destination marketing organization, employs no more than 300 employees per physical location.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rules including the prohibition on using loan proceeds for lobbying activities and expenditures. If Applicant is a news organization that became eligible for a loan under Section 317 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, proceeds of the loan will be used to support expenses at the component of the business concern that produces or distributes locally focused or emergency information. If the Applicant is an Internet-only news or periodical publisher that became eligible for a loan under Section 5001 of the American Rescue Plan Act of 2021, the proceeds of the loan will be used to support expenses at the component of the business or organization that supports local or regional news.
- I understand that SBA encourages the purchase, to the extent feasible, of American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

- AS The Applicant was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees, or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.
- AS Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- AS The Applicant has realized a reduction in gross receipts in excess of 25% relative to the relevant comparison time period. For loans greater than \$150,000, Applicant has provided documentation to the lender substantiating the decline in gross receipts. For loans of \$150,000 or less, Applicant will provide documentation substantiating the decline in gross receipts upon or before seeking loan forgiveness for the Second Draw Paycheck Protection Program Loan or upon SBA request.
- AS The Applicant received a First Draw Paycheck Protection Program Loan and, before the Second Draw Paycheck Protection Program Loan is disbursed, will have used the full loan amount (including any increase) of the First Draw Paycheck Protection Program Loan only for eligible expenses.
- AS The funds will be used to retain workers and maintain payroll; or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures as specified under the Paycheck Protection Program Rules; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.
- AS I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, covered utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures, and not more than 40% of the forgiven amount may be for non-payroll costs. If required, the Applicant will provide to the Lender and/or SBA documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of eligible expenses for the covered period following this loan.
- AS The Applicant has not and will not receive another Second Draw Paycheck Protection Program Loan.



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AS The Applicant has not been approved for a Shuttered Venue Operator (SVO) grant from SBA as of the date of this loan application, and the Applicant acknowledges that if the Applicant is approved for an SVO grant before SBA issues a loan number for this loan, the Applicant is ineligible for the loan and acceptance of any loan proceeds will be considered an unauthorized use.

AS The President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act.

AS The Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f).

AS The Applicant is not a business concern or entity (a) for which an entity created in or organized under the laws of the People's Republic of China or the Special Administrative Region of Hong Kong, or that has significant operations in the People's Republic of China or the Special Administrative Region of Hong Kong, owns or holds, directly or indirectly, not less than 20 percent of the economic interest of the business concern or entity, including as equity shares or a capital or profit interest in a limited liability company or partnership; or (b) that retains, as a member of the board of directors of the business concern, a person who is a resident of the People's Republic of China.

AS The Applicant is not required to submit a registration statement under section 2 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 612).

AS The Applicant is not a business concern or entity primarily engaged in political or lobbying activities, including any entity that is organized for research or for engaging in advocacy in areas such as public policy or political strategy or otherwise describes itself as a think tank in any public documents.

AS I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

AS I acknowledge that the Lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge, and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.



Signature of Authorized Representative of Applicant

Adam Spencer

Print Name

3/18/2021

Date

Owner

Title



**Paycheck Protection Program
Second Draw Borrower Application Form
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Purpose of this form:

This form is to be completed by the authorized representative of the Applicant and **submitted to your SBA Participating Lender**. Submission of the requested information is required to make a determination regarding eligibility for financial assistance. Failure to submit the information would affect that determination.

An Applicant that files an IRS Form 1040, Schedule C, and elects to calculate the PPP loan amount using net profit must use this form. *An Applicant that files an IRS Form 1040, Schedule C, and elects to calculate the PPP loan amount using gross income cannot use this form, and instead must use SBA Form 2483-SD-C.* An Applicant that files an IRS Form 1040, Schedule F, and calculates the PPP loan amount using gross income must also use this form.

Instructions for completing this form:

With respect to Purpose of the Loan, payroll costs consist of compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave (except those paid leave amounts for which a credit is allowed under FFCRA Sections 7001 and 7003); allowance for separation or dismissal; payment for the provision of employee benefits (including insurance premiums) consisting of group health care coverage, group life, disability, vision, or dental insurance, and retirement benefits; payment of state and local taxes assessed on compensation of employees; and, for an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation.

For purposes of calculating Average Monthly Payroll, most Applicants will use the average monthly payroll for 2019 or 2020, excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For seasonal businesses, the Applicant may elect to instead use average total monthly payroll for any twelve-week period selected by the Applicant between February 15, 2019 and February 15, 2020, excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For new businesses without 12 months of payroll costs but that were in operation on February 15, 2020, average monthly payroll may be calculated based on the number of months in which payroll costs were incurred, excluding costs over \$100,000 on an annualized basis for each employee, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For farmers and ranchers that operate as a sole proprietorship or as an independent contractor, or who are eligible self-employed individuals (including single member LLCs and qualified joint ventures) and report farm income or expenses on a Schedule F (or any equivalent successor IRS form), payroll costs are computed using eligible payroll costs for employees, if any, plus the lesser of \$100,000 and the difference between gross income and any eligible payroll costs for employees, as reported on a Schedule F. For Applicants that file IRS Form 1040, Schedule C, and elect to calculate the PPP loan amount using net profit, payroll costs are computed using line 31 net profit amount, limited to \$100,000, plus any eligible payroll costs for employees (to calculate loan amount using gross income, see SBA Form 2483-SD-C). For Applicants that are partnerships, payroll costs are computed using net earnings from self-employment of individual general partners, as reported on IRS Form 1065 K-1, reduced by section 179 expense deduction claimed, unreimbursed partnership expenses claimed, and depletion claimed on oil and gas properties, multiplied by 0.9235, that is not more than \$100,000, plus any eligible payroll costs for employees.

For Schedule F filers, if the Applicant is a qualified joint venture for federal income tax purposes ((1) the only members of the joint venture are a married couple who file a joint return and each file Schedule F, (2) both spouses materially participate in the trade or business, and (3) both spouses elect not to be treated as a partnership), only one spouse may submit this form on behalf of the qualified joint venture. For purposes of calculating the loan amount using gross income (Schedule F filers only), use the sum of gross income (Schedule F, line 9) from both spouses.

In determining whether the Applicant experienced at least a 25% reduction in gross receipts, for loans above \$150,000, the Applicant must identify the 2020 quarter meeting this requirement, identify the reference quarter, and state the gross receipts amounts for both quarters, as well as provide supporting documentation. For loans of \$150,000 and below, these fields are not required and the Applicant only must certify that the Applicant has met the 25% gross receipts reduction at the time of application; however, upon or before seeking loan forgiveness (or upon SBA request) the Applicant must provide documentation that identifies the 2020 quarter meeting this requirement, identifies the reference quarter, states the gross receipts amounts for both quarters, and supports the amounts provided. For all loans, the appropriate reference quarter depends on how long the Applicant has been in operation:

- For all Applicants other than those satisfying the conditions set forth below, Applicants must demonstrate that gross receipts in any quarter of 2020 were at least 25% lower than the same quarter of 2019. Alternatively, Applicants may compare annual gross receipts in 2020 with annual gross receipts in 2019; Applicants choosing to use annual gross receipts must enter “Annual” in the 2020 Quarter and Reference Quarter fields and, as required documentation, must submit copies of annual tax forms substantiating the annual gross receipts reduction.
- For Applicants not in business during the first and second quarters of 2019 but in operation during the third and fourth quarters of 2019, Applicants must demonstrate that gross receipts in any quarter of 2020 were at least 25% lower than either the third or fourth quarters of 2019.
- For Applicants not in business during the first, second, and third quarters of 2019 but in operation during the fourth quarter of 2019, Applicants must demonstrate that gross receipts in any quarter of 2020 were at least 25% lower than the fourth quarter of 2019.
- For Applicants not in business during 2019 but in operation on February 15, 2020, Applicants must demonstrate that gross receipts in the second, third, or fourth quarter of 2020 were at least 25% lower than the first quarter of 2020.

Gross receipts includes all revenue in whatever form received or accrued (in accordance with the Applicant’s accounting method) from whatever source, including from the sales of products or services, interest, dividends, rents, royalties, fees, or commissions, reduced by returns and allowances. Generally, receipts are considered “total income” (or in the case of a sole proprietorship “gross income”) plus “cost of goods sold” and excludes net capital gains or losses as these terms are defined and reported on IRS tax return forms. Gross receipts do not include the following: taxes collected for and remitted to a taxing authority if included in gross or total income, such as sales or other taxes collected from customers and excluding taxes levied on the concern or its employees; proceeds from transactions between a concern and its domestic or foreign affiliates; and amounts collected for another by a travel agent, real estate agent, advertising agent, conference management service provider, freight forwarder or customs broker. All other items, such as subcontractor costs, reimbursements for purchases a contractor makes at a customer’s request, investment income, and employee-based costs such as payroll taxes, may not be excluded from gross receipts. Gross receipts of an Applicant must be aggregated with gross receipts of its affiliates. For a nonprofit organization, veterans



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organization, nonprofit news organization, 501(c)(6) organization, and destination marketing organization, gross receipts has the meaning in section 6033 of the Internal Revenue Code of 1986.

For purposes of reporting Number of Employees, sole proprietors, self-employed individuals, and independent contractors should include themselves as employees (i.e., the minimum number in the box Number of Employees is one). For NAICS 72, eligible news organizations, 501(c)(3) organizations, eligible 501(c)(6) organizations, other eligible 501(c) organizations, eligible destination marketing organizations, or Internet-only news or periodical publishers assigned NAICS code 519130, applicants may not exceed 300 employees per physical location. Applicants may use their average employment over the time period used to calculate their aggregate payroll costs to determine their number of employees. Alternatively, Applicants may elect to use the average number of employees per pay period in the 12 completed calendar months prior to the date of the loan application.

For purposes of reporting Year of Establishment, self-employed individuals and independent contractors may enter "NA".

For purposes of reporting NAICS Code, applicants must match the business activity code provided on their IRS income tax filings, if applicable. For purposes of calculating an Applicant's maximum payroll costs, an Applicant may multiply its average monthly payroll costs by 3.5 only if the Applicant is in the Accommodation and Food Services sector and has reported a NAICS code beginning with 72 as its business activity code on its most recent IRS income tax return.

All parties listed below are considered owners of the Applicant:

- For a sole proprietorship, the sole proprietor;
- For a partnership, all general partners, and all limited partners owning 20% or more of the equity of the firm;
- For a corporation, all owners of 20% or more of the corporation;
- For limited liability companies, all members owning 20% or more of the company; and
- Any Trustor (if the Applicant is owned by a trust).

For purposes of reporting (optional) demographic information:

1. **Purpose.** Veteran/gender/race/ethnicity data is collected for program reporting purposes only.
2. **Description.** This form requests information about each of the Applicant's Principals. Add additional sheets if necessary.
3. **Definition of Principal.** The term "Principal" means:
 - For a self-employed individual, independent contractor, or a sole proprietor, the self-employed individual, independent contractor, or sole proprietor.
 - For a partnership, all general partners and all limited partners owning 20% or more of the equity of the Applicant, or any partner that is involved in the management of the Applicant's business.
 - For a corporation, all owners of 20% or more of the Applicant, and each officer and director.
 - For a limited liability company, all members owning 20% or more of the Applicant, and each officer and director.
 - Any individual hired by the Applicant to manage the day-to-day operations of the Applicant ("key employee").
 - Any trustor (if the Applicant is owned by a trust).
 - For a nonprofit organization, the officers and directors of the Applicant.
4. **Principal Name.** Insert the full name of the Principal.
5. **Principal Position.** Identify the Principal's position; for example, self-employed individual; independent contractor; sole proprietor; general partner; owner; officer; director; member; or key employee.

Paperwork Reduction Act – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 8 minutes. Comments about this time or the information requested should be sent to: Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**

Privacy Act (5 U.S.C. 552a) – Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. (But see Debt Collection Notice regarding taxpayer identification number below.) Disclosures of name and other personal identifiers are required to provide SBA with sufficient information to make a character determination. When evaluating character, SBA considers the person's integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 U.S.C. 636(a)(1)(B) of the Small Business Act.

Disclosure of Information – Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act. The Privacy Act authorizes SBA to make certain "routine uses" of information protected by that Act. One such routine use is the disclosure of information maintained in SBA's system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies' function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses. In addition, the CARES Act, requires SBA to register every loan made under the Paycheck Protection Program using the Taxpayer Identification Number (TIN) assigned to the borrower.



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Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles) – SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice, or (6) take other action permitted in the loan instruments.

Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) – The Right to Financial Privacy Act of 1978, grants SBA access rights to financial records held by financial institutions that are or have been doing business with you or your business including any financial institutions participating in a loan or loan guaranty. SBA is only required provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records. SBA's access rights continue for the term of any approved loan guaranty agreement. SBA is also authorized to transfer to another Government authority any financial records concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.

Freedom of Information Act (5 U.S.C. 552) – This law provides, with some exceptions, that SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that is generally released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers, the amount of the loan, and the type of the loan. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

Occupational Safety and Health Act (15 U.S.C. 651 et seq.) – The Occupational Safety and Health Administration (OSHA) can require businesses to modify facilities and procedures to protect employees. Businesses that do not comply may be fined and required to abate the hazards in their workplaces. They may also be ordered to cease operations posing an imminent danger of death or serious injury until employees can be protected. Signing this form is certification that the applicant, to the best of its knowledge, is in compliance with the applicable OSHA requirements, and will remain in compliance during the life of the loan.

Civil Rights (13 C.F.R. 112, 113, 117) – All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. All borrowers must display the "Equal Employment Opportunity Poster" prescribed by SBA.

Equal Credit Opportunity Act (15 U.S.C. 1691) – Creditors are prohibited from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

Debarment and Suspension Executive Order 12549 (2 C.F.R. Part 180 and Part 2700) – By submitting this loan application, you certify that neither the Applicant or any owner of the Applicant have within the past three years been: (a) debarred, suspended, declared ineligible or voluntarily excluded from participation in a transaction by any Federal Agency; (b) formally proposed for debarment, with a final determination still pending; (c) indicted, convicted, or had a civil judgment rendered against you for any of the offenses listed in the regulations or (d) delinquent on any amounts owed to the U.S. Government or its instrumentalities as of the date of execution of this certification.



Paycheck Protection Program
Lender's Application - Second Draw Loan Guaranty
Revised March 18, 2021

OMB Control No.: 3245-0417
 Expiration Date: 9/30/2021

The purpose of this form is to collect identifying information about the Lender, the Applicant, the loan guaranty request, sources and uses of funds, the proposed structure (which includes pricing and the loan term), and compliance with SBA Loan Program Requirements. This form reflects the data fields that will be collected electronically from lenders; no paper version of this form is required or permitted to be submitted. As used in this application, "Paycheck Protection Program Rules" refers to the rules in effect at the time you submit this application that have been issued by the Small Business Administration (SBA) and the Department of the Treasury implementing the Paycheck Protection Program, including Second Draw Paycheck Protection Program Loans, under Division A, Title I of the Coronavirus Aid, Relief, Economic Security Act and Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and Title V of the American Rescue Plan Act of 2021.

Instructions for Lenders

All Second Draw Paycheck Protection Program (PPP) Loans are processed by all Lenders under delegated authority from SBA. This application must be submitted and signed electronically in accordance with program requirements, and the information requested is to be retained in the Lender's loan file.

A. Lender Information			
Lender Name:	Capital Plus Financial, LLC	Lender Location ID:	529472
Address:	2247 Central Drive	City:	Bedford
		St:	TX
		Zip:	76021
Lender Contact:	Farzana Giga	Ph:	[REDACTED]
		Cell or Ext:	() -
Contact Email:	[REDACTED]@capitalplusfin.com	Title:	CFO

B. Applicant Information <i>(All Applicant Ownership information provided by the Applicant on the 2483-SD or 2483-SD-C must also be submitted electronically)</i>			
Check One: <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input checked="" type="checkbox"/> Independent contractor <input type="checkbox"/> Self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> Single member LLC (self-employed individual) <input type="checkbox"/> Qualified joint venture (self-employed individual) <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Other 501(c) organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal business <input type="checkbox"/> Other			
Applicant Legal Name:	Adam Spencer	NAICS Code:	522320
DBA or Tradename (if applicable):		Business Tax ID:	[REDACTED]
Year of Establishment (if applicable):	2019	Number of Employees:	1
Applicant Street Address (no P.O. Box Addresses Allowed):	[REDACTED]	City, State, Zip:	Mesa, Arizona 85213
Applicant Primary Contact:	Adam Spencer	Phone:	[REDACTED]
SBA Loan Number for First Draw PPP Loan : 4627438101			
Reduction in Gross Receipts of at Least 25% of more than \$150,000; provide for loans of \$150,000 or less ONLY if Applicant provided documentation and lender performed good faith review):	2020 Quarter:	Reference Quarter:	
	Gross Receipts \$	Gross Receipts: \$	
Complete this line only if Applicant submitted SBA Form 2483-SD-C:	Total Gross Income (from IRS Form 1040, Schedule C, Line 7)	Tax Year Used for Gross Income	
	\$ 154318	<input type="checkbox"/> 2019 <input checked="" type="checkbox"/> 2020	

C. Loan Structure Information							
Amount of Loan Request:	\$ 20832	Guarantee %:	100%	Loan Term in # of Months:	60	Payment:	Deferred
Applicant must provide documentation to Lender supporting how the loan amount was calculated in accordance with the Paycheck Protection Program Rules, and Lender must retain all such supporting documentation in Lender's file.							
Interest Rate:	1% (calculated on a non-compounding, non-adjustable basis)						

D. Loan Amount Information	
Average Monthly Payroll multiplied by 2.5 (or multiplied by 3.5 for NAICS 72 applicants) <i>If Applicant submitted SBA Form 2483-SD-C, use the amount entered in B in either table, plus the amount entered in C for Applicants with employees (if applicable), multiplied by 2.5 (or multiplied by 3.5 for NAICS 72 applicants)</i>	\$ 20832
Total <i>(may not exceed \$2,000,000)</i>	\$ 20832

E. General Eligibility (If the answer is no to any, the loan cannot be approved)

- The Applicant has certified to the Lender that (1) it was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC; (2) current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant; (3) it received a First Draw Paycheck Protection Program Loan and, before the Second Draw PPP Loan is disbursed, will have used the full loan amount (including any increase) of the First Draw Paycheck Protection Program Loan only for eligible expenses; (4) the funds will be used to retain workers and maintain payroll, or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures. Yes No
- The Applicant has certified to the Lender that it has realized a reduction in gross receipts in excess of 25% relative to the relevant comparison time period. For loans greater than \$150,000 (or if the loan is \$150,000 or less and the Applicant provides documentation of revenue reduction with its application), the Applicant has provided documentation to the Lender substantiating the decline in gross receipts and the Lender has confirmed the dollar amount and percentage of the Applicant's decline in gross receipts by performing a good faith review, in a reasonable time, of the Applicant's calculations and of the gross receipts documentation provided by the Applicant. For loans of \$150,000 or less that have not provided documentation, the Applicant has certified to the Lender that it will provide documentation substantiating the decline in gross receipts upon or before seeking loan forgiveness or upon SBA request. Yes No
- The Applicant has certified to the Lender that the Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) employs no more than 300 employees; (3) if NAICS 72, employs no more than 300 employees per physical location; (4) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business, a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, or an Internet-only news or periodical publisher assigned NAICS code 519130 and engaged in the collection and distribution of local or regional and national news and information, employs no more than 300 employees per location; or (5) if a 501(c)(3) organization, an eligible 501(c)(6) organization, other eligible 501(c) organization, or eligible destination marketing organization, employs no more than 300 employees per physical location. Yes No
- The Applicant has certified to the Lender that (1) it has not been approved for a Shuttered Venue Operator (SVO) grant from SBA as of the date of the loan application, and acknowledged that if the Applicant is approved for an SVO grant before SBA issues a loan number for the loan, the Applicant is ineligible for the loan and acceptance of any loan proceeds will be considered an unauthorized use; (2) the President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act; (3) the Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f); (4) the Applicant is not a business concern or entity (a) for which an entity created in or organized under the laws of the People's Republic of China or the Special Administrative Region of Hong Kong, or that has significant operations in the People's Republic of China or the Special Administrative Region of Hong Kong, owns or holds, directly or indirectly, not less than 20 percent of the economic interest of the business concern or entity, including as equity shares or a capital or profit interest in a limited liability company or partnership; or (b) that retains, as a member of the board of directors of the business concern, a person who is a resident of the People's Republic of China; (5) the Applicant is not required to submit a registration statement under section 2 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 612); and (6) the Applicant is not a business concern or entity primarily engaged in political or lobbying activities, including any entity that is organized for research or for engaging in advocacy in areas such as public policy or political strategy or otherwise describes itself as a think tank in any public documents. Yes No
- The Applicant has certified to the Lender that the Applicant has not and will not receive another Second Draw Paycheck Protection Program Loan. Yes No

F. Applicant Certification of Eligibility (If not true, the loan cannot be approved)

- The Applicant has certified to the Lender that the Applicant is eligible under the Paycheck Protection Program Rules. True

G. Franchise/License/Jobber/Membership or Similar Agreement (If a franchise and not listed in the SBA Franchise Directory, the loan cannot be approved)

- The Applicant has represented to the Lender that it is a franchise. Yes No
- The Applicant has represented that the franchise is listed in SBA's Franchise Directory. Yes No
- If Yes, enter the SBA Franchise Identifier Code here: _____

H. Character Determination (If no, the loan cannot be approved)

- The Applicant has represented to the Lender that neither the Applicant (if an individual) nor any individual owning 20% or more of the equity of the Applicant is presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction. Yes No
- The Applicant has represented to the Lender that neither the Applicant (if an individual) nor any owner of the Applicant has within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance: 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment). Yes No

I. Prior Loss to Government/Delinquent Federal Debt (If no, the loan cannot be approved)	
• The Applicant has certified to the Lender that neither the Applicant nor any owner is presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
• The Applicant has certified to the Lender that neither the Applicant nor any of its owners, nor any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency (other than a Federal student loan made or guaranteed through a program administered by the Department of Education) that is (a) currently delinquent or (b) has defaulted in the last 7 years and caused a loss to the government.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
J. U.S. Employees (If no, the loan cannot be approved)	
• The Applicant has certified that the principal place of residence for all employees included in the Applicant's payroll calculation is the United States.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
K. Fees (If yes, Lender may not pass any agent fee through to the Applicant or offset or pay the fee with the proceeds of this loan)	
• Has the Lender directly contracted with a third party to assist in the preparation of the loan application or application materials, or to perform other services in connection with this loan?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

SBA Certification to Financial Institution under Right to Financial Privacy Act (12 U.S.C. 3401)

By signing SBA Form 2483-SD or 2483-SD-C, Borrower Application Form in connection with this application for an SBA-guaranteed loan, the Applicant certifies that it has read the Statements Required by Law and Executive Orders, which is attached to SBA Form 2483-SD or 2483-SD-C. As such, SBA certifies that it has complied with the applicable provisions of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) and, pursuant to that Act, no further certification is required for subsequent access by SBA to financial records of the Applicant/Borrower during the term of the loan guaranty.

Lender Certification

On behalf of the Lender, I certify that:

- The Lender has complied with the applicable lender obligations set forth in paragraphs (h)(2)(i)(A)-(D) of the interim final rule "Paycheck Protection Program Second Draw Loans" (issued on January 6, 2021), and any amendments thereto.
- The Lender has obtained and reviewed the required application (including documents demonstrating qualifying payroll amounts and, if required, qualifying gross receipts reduction) of the Applicant and will retain copies of such documents in the Applicant's loan file.
- The Lender will register in sam.gov no later than thirty (30) days from the date of the first disbursement of a First Draw PPP Loan or Second Draw PPP Loan made by the Lender after January 7, 2021 and will provide SBA with the Lender's unique entity identifier.

I certify that:

- Neither the undersigned Authorized Lender Official, nor such individual's spouse or children, has a financial interest in the Applicant.

Authorized Lender Official: _____ Date: 3/18/2021

 Type or Print Name: Farzana Giga Title: CFO

NOTE: According to the Paperwork Reduction Act, you are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated burden for completing this form, including time for reviewing instructions, gathering data needed, and completing and reviewing the form is 25 minutes per response. Comments or questions on the burden estimates should be sent to U.S. Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Rm. 10202, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**

**SCHEDULE C
(Form 1040)**

**Profit or Loss From Business
(Sole Proprietorship)**

OMB No. 1545-0074

2020
Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

▶ Go to www.irs.gov/ScheduleC for instructions and the latest information.

▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor Adam Spencer		Social security number (SSN) [REDACTED]
A Principal business or profession, including product or service (see instructions) Financial Transactions Processing, Reserve, and Clearinghouse Activities (522320)		B Enter code from instructions ▶ 5 2 2 3 2 0
C Business name. If no separate business name, leave blank. Adam Spencer		D Employer ID number (EIN) (see instr.) [REDACTED]
E Business address (including suite or room no.) ▶ [REDACTED] City, town or post office, state, and ZIP code Mesa, Arizona 85213		
F Accounting method: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶		
G Did you "materially participate" in the operation of this business during 2020? If "No," see instructions for limit on losses		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
H If you started or acquired this business during 2020, check here		<input type="checkbox"/>
I Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions		<input type="checkbox"/> Yes <input type="checkbox"/> No
J If "Yes," did you or will you file required Form(s) 1099?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked ▶ <input type="checkbox"/>	1	154318
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	154318
4 Cost of goods sold (from line 42)	4	
5 Gross profit. Subtract line 4 from line 3	5	
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6 ▶	7	154318

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8	2450	18 Office expense (see instructions)	18	
9 Car and truck expenses (see instructions)	9		19 Pension and profit-sharing plans	19	
10 Commissions and fees	10	1800	20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11	2400	a Vehicles, machinery, and equipment	20a	
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		21 Repairs and maintenance	21	
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15		23 Taxes and licenses	23	
16 Interest (see instructions):			24 Travel and meals:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	
b Other	16b		b Deductible meals (see instructions)	24b	5820
17 Legal and professional services	17	1340	25 Utilities	25	
28 Total expenses before expenses for business use of home. Add lines 8 through 27a ▶	28	13810	26 Wages (less employment credits)	26	
29 Tentative profit or (loss). Subtract line 28 from line 7	29	140508	27a Other expenses (from line 48)	27a	
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions. Simplified method filers only: Enter the total square footage of (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30		27b Reserved for future use	27b	
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 3 , and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31	122508			
32 If you have a loss, check the box that describes your investment in this activity. See instructions. • If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 3 , and on Schedule SE, line 2 . (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3 . • If you checked 32b, you must attach Form 6198 . Your loss may be limited.					32a <input type="checkbox"/> All investment is at risk. 32b <input type="checkbox"/> Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11334P

Schedule C (Form 1040) 2020



**Paycheck Protection Program
Borrower Application Form for Schedule C Filers Using Gross Income
Revised March 18, 2021**

OMB Control No.: 3245-0407
Expiration Date: 9/30/2021

AN APPLICANT MAY USE THIS FORM ONLY IF THE APPLICANT FILES AN IRS FORM 1040, SCHEDULE C, AND USES GROSS INCOME TO CALCULATE PPP LOAN AMOUNT

Check One: <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Independent contractor <input type="checkbox"/> Self-employed individual <input checked="" type="checkbox"/> Single member LLC (self-employed individual) <input type="checkbox"/> Qualified joint venture (self-employed individual)	DBA or Tradename (if applicable) Sweet P Desians	Year of Establishment (if applicable) 2015
	Business Legal Name Sweet P Designs	
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed) [REDACTED] Mesa, Arizona 85213		NAICS Code 424330
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed) [REDACTED] Mesa, Arizona 85213		Applicant (including affiliates, if applicable) Meets Size Standard (check one): <input checked="" type="checkbox"/> No more than 500 employees (or 300 employees, if applicable) unless "per location" exception applies <input type="checkbox"/> SBA industry size standards <input type="checkbox"/> SBA alternative size standard
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed) [REDACTED] Mesa, Arizona 85213		Business TIN (EIN, SSN, ITIN) [REDACTED]
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed) [REDACTED] Mesa, Arizona 85213		Business Phone [REDACTED]
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed) [REDACTED] Mesa, Arizona 85213		Primary Contact Kristen Spencer
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed) [REDACTED] Mesa, Arizona 85213		Email Address [REDACTED]@gmail.com
Total Amount of Gross Income (from IRS Form 1040, Schedule C, Line 7) \$60000		Tax Year Used for Gross Income <input type="checkbox"/> 2019 <input checked="" type="checkbox"/> 2020
Total Amount of Gross Income (from IRS Form 1040, Schedule C, Line 7) \$60000		Number of Employees (including owners): 1

If you do not have any employees (other than owners), complete this table:

A. Your gross income amount from 2019 or 2020 IRS Form 1040, Schedule C, line 7:	\$60000	B. Divide A by 12 (if more than \$8,333.33, enter \$8,333.33):	\$5000	x 2.5 + EIDL (Do Not Include Any EIDL Advance) equals Loan Request Amount:	\$19555
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If you have employees (other than owners), complete this table:

A. Your 2019 or 2020 IRS Form 1040, Schedule C, line 7 amount, minus the sum of line 14, line 19, and line 26:	\$	B. Divide A by 12 (if more than \$8,333.33, enter \$8,333.33):	\$	C. Average Monthly Payroll for Employees (not including owners)	\$
Add B and C:	\$	x 2.5 + EIDL (Do Not Include Any EIDL Advance) equals Loan Request Amount:		\$	

Purpose of the loan (select all that apply):	<input checked="" type="checkbox"/> Payroll Costs (including proprietor expenses, equal to business expenses plus owner compensation)	<input checked="" type="checkbox"/> Rent / Mortgage Interest	<input checked="" type="checkbox"/> Utilities	<input type="checkbox"/> Covered Operations Expenditures
	<input type="checkbox"/> Covered Property Damage	<input type="checkbox"/> Covered Supplier Costs	<input type="checkbox"/> Covered Worker Protection Expenditures	<input checked="" type="checkbox"/> Other (explain): _____

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN, ITIN)	Address
Kristen Spencer	Owner	100	[REDACTED]	[REDACTED] Mesa, AZ, 85213



**Paycheck Protection Program
Borrower Application Form for Schedule C Filers Using Gross Income
Revised March 18, 2021**

PPP Applicant Demographic Information (Optional)

Veteran/gender/race/ethnicity data is collected for program reporting purposes only. Disclosure is voluntary and will have no bearing on the loan application decision.

Principal Name	Kristen Spencer	Principal Position	Owner
Select Response Below:			
Veteran	<input checked="" type="checkbox"/> Non-Veteran; <input type="checkbox"/> Veteran; <input type="checkbox"/> Service-Disabled Veteran; <input type="checkbox"/> Spouse of Veteran; <input type="checkbox"/> Not Disclosed		
Gender	<input type="checkbox"/> Male; <input checked="" type="checkbox"/> Female; <input type="checkbox"/> Not Disclosed		
Race (more than 1 may be selected)	<input type="checkbox"/> American Indian or Alaska Native; <input type="checkbox"/> Asian; <input type="checkbox"/> Black or African-American; <input type="checkbox"/> Native Hawaiian or Pacific Islander; <input checked="" type="checkbox"/> White; <input type="checkbox"/> Not Disclosed		
Ethnicity	<input type="checkbox"/> Hispanic or Latino; <input checked="" type="checkbox"/> Not Hispanic or Latino; <input type="checkbox"/> Not Disclosed		

If questions (1), (2), (5), or (6) are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency (other than a Federal student loan made or guaranteed through a program administered by the Department of Education) that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management (including a management agreement) with any other business? If yes, list all such businesses (including their TINs if available) and describe the relationship on a separate sheet identified as addendum A.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Did the Applicant receive an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. Is the Applicant (if an individual) or any owner of the Applicant presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction? Initial here to confirm your response to question 5 → _____ K S _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 6 → _____ K S _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7. Is the United States the principal place of residence for the owner(s) of the Applicant and all employees included in the Applicant's payroll calculation above?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Is the Applicant a franchise?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9. Is the franchise listed in SBA's Franchise Directory? If yes, enter SBA Franchise Identifier Code here: _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>



**Paycheck Protection Program
Borrower Application Form for Schedule C Filers Using Gross Income
Revised March 18, 2021**

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) and the Department of the Treasury (Treasury) implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act), and Title V of the American Rescue Plan Act of 2021 (the Paycheck Protection Program Rules).
- The Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) employs no more than the greater of 500 employees or, if applicable, the size standard in number of employees established by SBA in 13 C.F.R. 121.201 for the Applicant’s industry; (3) if NAICS 72, employs no more than 500 employees per physical location; (4) if an Internet-only news or periodical publisher assigned NAICS code 519130 and engaged in the collection and distribution of local or regional and national news and information, employs no more than 500 employees (or the size standard in number of employees established by SBA in 13 C.F.R. 121.201 for the Applicant’s industry) per physical location; or (5) is a small business under the applicable revenue-based size standard established by SBA in 13 C.F.R. 121.201 for the Applicant’s industry or under the SBA alternative size standard.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All loan proceeds will be used only for business-related purposes (including payroll and other proprietor expenses, which is business expenses plus owner compensation, as defined in the interim final rule posted on March 3, 2021) as specified in the loan application and consistent with the Paycheck Protection Program Rules including the prohibition on using loan proceeds for lobbying activities and expenditures. If the Applicant is an Internet-only news or periodical publisher that became eligible for a loan under Section 5001 of the American Rescue Plan Act of 2021, the proceeds of the loan will be used to support expenses at the component of the business or organization that supports local or regional news.
- I understand that SBA encourages the purchase, to the extent feasible, of American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.
- Any EIDL loan received by the Applicant (Section 7(b)(2) of the Small Business Act) between January 31, 2020 and April 3, 2020 was for a purpose other than paying payroll costs and other allowable uses for loans under the Paycheck Protection Program Rules.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one (the terms “payroll” and “payroll costs” as used in the below certifications include proprietor expenses (business expenses plus owner compensation)):

- KS The Applicant was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees, or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.
- KS Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- KS The funds will be used to retain workers and maintain payroll; or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures as specified under the Paycheck Protection Program Rules; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.
- KS I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, covered utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures, and not more than 40% of the forgiven amount may be for non-payroll costs. If required, the Applicant will provide to the Lender and/or SBA documentation verifying the number of full-time equivalent employees on the Applicant’s payroll as well as the dollar amounts of eligible expenses for the covered period following this loan.
- KS The Applicant has not and will not receive another loan under the Paycheck Protection Program, section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) (this does not include Paycheck Protection Program second draw loans, section 7(a)(37) of the Small Business Act (15 U.S.C. 636(a)(37)).
- KS The Applicant has not been approved for a Shuttered Venue Operator (SVO) grant from SBA as of the date of this application, and the Applicant acknowledges that if the Applicant is approved for an SVO grant before SBA issues a loan number for this loan, the Applicant is ineligible for the loan and acceptance of any loan proceeds will be considered an unauthorized use.
- KS The President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act.
- KS The Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f).
- KS I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.



**Paycheck Protection Program
Borrower Application Form for Schedule C Filers Using Gross Income
Revised March 18, 2021**

KS I acknowledge that the Lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge, and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

[Redacted Signature]

Signature of Authorized Representative of Applicant
Kristen Spencer

Print Name

3/2/2021
Date

Owner

Title



Paycheck Protection Program
Borrower Application Form for Schedule C Filers Using Gross Income
Revised March 18, 2021

Purpose of this form:

This form is to be completed by the authorized representative of the Applicant and **submitted to your SBA Participating Lender**. Submission of the requested information is required to make a determination regarding eligibility for financial assistance. Failure to submit the information would affect that determination.

An Applicant that files an IRS Form 1040, Schedule C, and elects to calculate the PPP loan amount using gross income must use this form. An Applicant that files an IRS Form 1040, Schedule C, and elects to calculate the PPP loan amount using net profit must use SBA Form 2483. An Applicant that files an IRS Form 1040, Schedule F, and calculates the PPP loan amount using gross income must use SBA Form 2483.

Instructions for completing this form:

For purposes of reporting Year of Establishment, applicants may enter “NA”.

For purposes of reporting NAICS Code, applicants must match the business activity code provided on their IRS income tax filings, if applicable.

For purposes of reporting Number of Employees, sole proprietors, self-employed individuals, and independent contractors should include themselves as employees (i.e., the minimum number in the box Number of Employees is one). Applicants may use their average employment over the time period used to calculate their aggregate payroll costs to determine their number of employees. Alternatively, Applicants may elect to use the average number of employees per pay period in the 12 completed calendar months prior to the date of the loan application.

For purposes of calculating Average Monthly Payroll for Employees (box C), Applicants must use the average monthly payroll for 2019 or 2020 for employees (not including the owner), excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. The payroll year used must be the same as the tax year used for the gross income calculation (box A in either table). For seasonal businesses, the Applicant may elect to instead use average total monthly payroll for any twelve-week period selected by the Applicant between February 15, 2019 and February 15, 2020, excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For new businesses, average monthly payroll may be calculated using the time period from January 1, 2020 to February 29, 2020, excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee.

If Applicant is refinancing an Economic Injury Disaster Loan (EIDL): Add the outstanding amount of an EIDL made between January 31, 2020 and April 3, 2020 to Loan Request as indicated on the form. Do not add the amount of any EIDL Advance.

With respect to Purpose of the Loan, payroll costs consist of compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave (except those paid leave amounts for which a credit is allowed under FFCRA Sections 7001 and 7003); allowance for separation or dismissal; payment for the provision of employee benefits (including insurance premiums) consisting of group health care coverage, group life, disability, vision, or dental insurance, and retirement benefits; payment of state and local taxes assessed on compensation of employees; and wages, commissions, income, or net earnings from self-employment or similar compensation. This includes proprietor expenses, which means businesses expenses plus owner compensation.

If the Applicant is a qualified joint venture for federal income tax purposes ((1) the only members of the joint venture are a married couple who file a joint return and each file Schedule C, (2) both spouses materially participate in the trade or business, and (3) both spouses elect not to be treated as a partnership), only one spouse may submit this form on behalf of the qualified joint venture. For purposes of reporting Number of Employees, each spouse should be counted. For purposes of determining which table to use to calculate Loan Request Amount, if the Applicant has no employees other than the married couple, complete the table labeled “If you do not have any employees other than yourself, complete this table.” For purposes of calculating gross income, enter the sum of gross income (Schedule C, line 7) from both spouses. For purposes of calculating the Loan Request Amount, the amount entered in box B in either table is capped at \$8,333.33.

For a sole proprietorship, the sole proprietor is considered the owner of the Applicant. For a limited liability company that has only one member and that is treated as a disregarded entity for federal income tax purposes and files Schedule C, the member is considered a sole proprietor and the owner of the Applicant. If the Applicant is treated as a qualified joint venture for federal income tax purposes (the only members of the joint venture are a married couple who file a joint return and each file a Schedule C), both spouses are considered sole proprietors and owners of the Applicant.

For purposes of reporting (optional) demographic information:

1. **Purpose.** Veteran/gender/race/ethnicity data is collected for program reporting purposes only.
2. **Description.** This form requests information about each of the Applicant’s Principals. Add additional sheets if necessary.
3. **Definition of Principal.** The term “Principal” means:
 - The self-employed individual, independent contractor, or sole proprietor.
 - Any individual hired by the Applicant to manage the day-to-day operations of the Applicant (“key employee”).
4. **Principal Name.** Insert the full name of the Principal.
5. **Principal Position.** Identify the Principal’s position: self-employed individual, independent contractor, sole proprietor, or key employee.

Paperwork Reduction Act – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 8 minutes. Comments about this time or the information requested should be sent to: Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**



Paycheck Protection Program
Borrower Application Form for Schedule C Filers Using Gross Income
Revised March 18, 2021

Privacy Act (5 U.S.C. 552a) – Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. (But see Debt Collection Notice regarding taxpayer identification number below.) Disclosures of name and other personal identifiers are required to provide SBA with sufficient information to make a character determination. When evaluating character, SBA considers the person’s integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 U.S.C. Section 636(a)(1)(B) of the Small Business Act.

Disclosure of Information – Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act. The Privacy Act authorizes SBA to make certain “routine uses” of information protected by that Act. One such routine use is the disclosure of information maintained in SBA’s system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies’ function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses. In addition, the CARES Act, requires SBA to register every loan made under the Paycheck Protection Program using the Taxpayer Identification Number (TIN) assigned to the borrower.

Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles) – SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice, or (6) take other action permitted in the loan instruments.

Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) – The Right to Financial Privacy Act of 1978, grants SBA access rights to financial records held by financial institutions that are or have been doing business with you or your business including any financial institutions participating in a loan or loan guaranty. SBA is only required provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records. SBA’s access rights continue for the term of any approved loan guaranty agreement. SBA is also authorized to transfer to another Government authority any financial records concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.

Freedom of Information Act (5 U.S.C. 552) – This law provides, with some exceptions, that SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that is generally released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers, the amount of the loan, and the type of the loan. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

Occupational Safety and Health Act (15 U.S.C. 651 et seq.) – The Occupational Safety and Health Administration (OSHA) can require businesses to modify facilities and procedures to protect employees. Businesses that do not comply may be fined and required to abate the hazards in their workplaces. They may also be ordered to cease operations posing an imminent danger of death or serious injury until employees can be protected. Signing this form is certification that the applicant, to the best of its knowledge, is in compliance with the applicable OSHA requirements, and will remain in compliance during the life of the loan.

Civil Rights (13 C.F.R. 112, 113, 117) – All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. All borrowers must display the “Equal Employment Opportunity Poster” prescribed by SBA.

Equal Credit Opportunity Act (15 U.S.C. 1691) – Creditors are prohibited from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant’s income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

Debarment and Suspension Executive Order 12549 (2 C.F.R. Part 180 and Part 2700) – By submitting this loan application, you certify that neither the Applicant or any owner of the Applicant have within the past three years been: (a) debarred, suspended, declared ineligible or voluntarily excluded from participation in a transaction by any Federal Agency; (b) formally proposed for debarment, with a final determination still pending; (c) indicted, convicted, or had a civil judgment rendered against you for any of the offenses listed in the regulations or (d) delinquent on any amounts owed to the U.S. Government or its instrumentalities as of the date of execution of this certification.



Paycheck Protection Program
Lender's Application - Paycheck Protection Program Loan Guaranty
Revised March 18, 2021

OMB Control No.: 3245-0407
 Expiration Date: 9/30/2021

The purpose of this form is to collect identifying information about the Lender, the Applicant, the loan guaranty request, sources and uses of funds, the proposed structure (which includes pricing and the loan term), and compliance with SBA Loan Program Requirements. This form reflects the data fields that will be collected electronically from lenders; no paper version of this form is required or permitted to be submitted. As used in this application, "Paycheck Protection Program Rules" refers to the rules in effect at the time you submit this application that have been issued by the Small Business Administration (SBA) and the Department of the Treasury implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and Title V of the American Rescue Plan Act of 2021.

Instructions for Lenders

All Paycheck Protection Program (PPP) loans are processed by all Lenders under delegated authority from SBA. This application must be submitted and signed electronically in accordance with program requirements, and the information requested is to be retained in the Lender's loan file.

A. Lender Information			
Lender Name:	Capital Plus Financial, LLC	Lender Location ID:	529472
Address:	2247 Central Drive	City: Bedford	St: TX Zip: 76021
Lender Contact:	Farzana Giga	Ph: [REDACTED]	Cell or Ext: () -
Contact Email:	[REDACTED]@capitalplusfin.com	Title:	CFO

B. Applicant Information <i>(All Applicant Ownership information provided by the Applicant on SBA Form 2483 or 2483-C must also be submitted electronically)</i>			
Check One: <input checked="" type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent contractor <input type="checkbox"/> Self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> Single member LLC (self-employed individual) <input type="checkbox"/> Qualified joint venture (self-employed individual) <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Other 501(c) organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal business <input type="checkbox"/> Other			
Applicant	Applicant Legal Name:	Sweet P Designs	NAICS Code: 424330
	DBA or Tradename (if applicable):	Sweet P Designs	Business Tax ID: [REDACTED]
	Year of Establishment (if applicable):	2015	Number of Employees: 1
Applicant Size Standard (including affiliates, if applicable) (check one):		<input checked="" type="checkbox"/> No more than 500 employees (or 300 employees, if applicable) unless "per location" exception applies <input type="checkbox"/> SBA industry size standards <input type="checkbox"/> SBA alternative size standard	
Applicant Street Address (no P.O. Box Addresses allowed):		City, State, Zip: Mesa, Arizona 85213	
Applicant Primary Contact: Kristen Spencer		Phone: [REDACTED]	
Complete this line only if Applicant submitted SBA Form 2483-C:		Total Gross Income (from IRS Form 1040, Schedule C, Line 7)	Tax Year Used for Gross Income
		\$	<input type="checkbox"/> 2019 <input type="checkbox"/> 2020

C. Loan Structure Information							
Amount of Loan Request:	\$ 19555	Guarantee %:	100%	Loan Term in # of Months:	60	Payment:	Deferred
Applicant must provide documentation to Lender supporting how the loan amount was calculated in accordance with the Paycheck Protection Program Rules and Lender must retain all such supporting documentation in Lender's file.							
Interest Rate:	1% (calculated on a non-compounding, non-adjustable basis)						

D. Loan Amount Information	
Average Monthly Payroll multiplied by 2.5 <i>If Applicant submitted SBA Form 2483-C, use the amount entered in B in either table, plus the amount entered in C for Applicants with employees (if applicable), multiplied by 2.5</i>	\$ 19555
Refinance of Eligible Economic Injury Disaster Loan (EIDL) (Do Not Include Any EIDL Advance (see Paycheck Protection Program Rules))	\$
Total	\$ 19555

E. General Eligibility *(If the answer is no to any, the loan cannot be approved)*

- The Applicant has certified to the Lender that (1) it was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC; (2) current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant; (3) the funds will be used to retain workers and maintain payroll, or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures; and (4) the Applicant has not and will not receive another loan under the Paycheck Protection Program, section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) (this does not include Paycheck Protection Program second draw loans, section 7(a)(37) of the Small Business Act (15 U.S.C. 636(a)(37))). Yes No
- The Applicant has certified to the Lender that the Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) if not a housing cooperative, eligible 501(c)(6) organization, other eligible 501(c) organization, or eligible destination marketing organization, employs no more than the greater of 500 employees or, if applicable, meets the size standard in number of employees established by the SBA in 13 C.F.R. 121.201 for the Applicant's industry; (3) if a housing cooperative, employs no more than 300 employees; (4) if an eligible 501(c)(6) organization, other eligible 501(c) organization, or eligible destination marketing organization, employs no more than 300 employees per physical location; (5) if NAICS 72 or a 501(c)(3) organization, employs no more than 500 employees per physical location; (6) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business, a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, or an Internet-only news or periodical publisher assigned NAICS code 519130 and engaged in the collection and distribution of local or regional and national news and information, employs no more than 500 employees (or, if applicable, the size standard in number of employees established by SBA in 13 C.F.R. 121.201 for the Applicant's industry) per location; or (7) is a small business under the applicable revenue-based size standard established by SBA in 13 C.F.R. 121.201 for the Applicant's industry or under the SBA alternative size standard. Yes No
- The Applicant has certified to the Lender that (1) it has not been approved for a Shuttered Venue Operator (SVO) grant from SBA as of the date of the loan application, and acknowledged that if the Applicant is approved for an SVO grant before SBA issues a loan number for the loan, the Applicant is ineligible for the loan and acceptance of any loan proceeds will be considered an unauthorized use; (2) the President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act; and (3) the Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f). Yes No

F. Applicant Certification of Eligibility *(If not true, the loan cannot be approved)*

- The Applicant has certified to the Lender that the Applicant is eligible under the Paycheck Protection Program Rules. True

G. Franchise/License/Jobber/Membership or Similar Agreement *(If a franchise and not listed in the SBA Franchise Directory, the loan cannot be approved)*

- The Applicant has represented to the Lender that it is a franchise. Yes No
- The Applicant has represented that the franchise is listed in SBA's Franchise Directory. Yes No
- If Yes, enter the SBA Franchise Identifier Code here: _____

H. Character Determination *(If no, the loan cannot be approved)*

- The Applicant has represented to the Lender that neither the Applicant (if an individual) nor any individual owning 20% or more of the equity of the Applicant is presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction. Yes No
- The Applicant has represented to the Lender that neither the Applicant (if an individual) nor any owner of the Applicant has within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance: 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment). Yes No

I. Prior Loss to Government/Delinquent Federal Debt *(If no, the loan cannot be approved)*

- The Applicant has certified to the Lender that neither the Applicant nor any owner is presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy. Yes No
- The Applicant has certified to the Lender that neither the Applicant nor any of its owners, nor any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency (other than a Federal student loan made or guaranteed through a program administered by the Department of Education) that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government. Yes No

J. U.S. Employees *(If no, the loan cannot be approved)*

- The Applicant has certified that the principal place of residence for all employees included in the Applicant's payroll calculation is the United States. Yes No

K. Fees (If yes, Lender may not pass any agent fee through to the Applicant or offset or pay the fee with the proceeds of this loan)

- Has the Lender directly contracted with a third party to assist in the preparation of the loan application or application materials, or to perform other services in connection with this loan? Yes No

SBA Certification to Financial Institution under Right to Financial Privacy Act (12 U.S.C. 3401)

By signing SBA Form 2483 or 2483-C, Borrower Application Form in connection with this application for an SBA-guaranteed loan, the Applicant certifies that it has read the Statements Required by Law and Executive Orders, which is attached to SBA Form 2483 or 2483-C. As such, SBA certifies that it has complied with the applicable provisions of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) and, pursuant to that Act, no further certification is required for subsequent access by SBA to financial records of the Applicant/Borrower during the term of the loan guaranty.

Lender Certification

On behalf of the Lender, I certify that:

- The Lender has complied with the applicable lender obligations set forth in paragraphs C.3.a.-c. of the interim final rule "Paycheck Protection Program as Amended by Economic Aid Act" (issued on January 6, 2021), and any amendments thereto.
- The Lender has obtained and reviewed the required application (including documents demonstrating qualifying payroll amounts) of the Applicant and will retain copies of such documents in the Applicant's loan file.
- The Lender will register in sam.gov no later than thirty (30) days from the date of the first disbursement of a PPP loan made by the Lender after January 7, 2021 and will provide SBA with the Lender's unique entity identifier.

I certify that:

- Neither the undersigned Authorized Lender Official, nor such individual's spouse or children, has a financial interest in the Applicant.

Authorized Lender Official: _____

Date: 3/2/2021

Type or Print Name: Farzana Giga

Title: CFO

NOTE: According to the Paperwork Reduction Act, you are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated burden for completing this form, including time for reviewing instructions, gathering data needed, and completing and reviewing the form is 25 minutes per response. Comments or questions on the burden estimates should be sent to U.S. Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Rm. 10202, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**

**SCHEDULE C
(Form 1040)**

**Profit or Loss From Business
(Sole Proprietorship)**

OMB No. 1545-0074

2020

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

▶ Go to www.irs.gov/ScheduleC for instructions and the latest information.

▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor
Kristen Spencer

Social security number (SSN)

A Principal business or profession, including product or service (see instructions)
clothing store

B Enter code from instructions

C Business name. If no separate business name, leave blank.
Sweet P Designs

D Employer ID number (EIN) (see instr.)

E Business address (including suite or room no.) ▶ **Mesa AZ 85213**

City, town or post office, state, and ZIP code

F Accounting method: (1) Cash (2) Accrual (3) Other (specify) ▶

G Did you "materially participate" in the operation of this business during 2020? If "No," see instructions for limit on losses Yes No

H If you started or acquired this business during 2020, check here

I Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions Yes No

J If "Yes," did you or will you file required Form(s) 1099? Yes No

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked <input type="checkbox"/>	1	109,983
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	109,983
4 Cost of goods sold (from line 42)	4	11,500
5 Gross profit. Subtract line 4 from line 3	5	
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6	7	98,483

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8		18 Office expense (see instructions)	18	
9 Car and truck expenses (see instructions)	9	1500	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	3115
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		21 Repairs and maintenance	21	
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15		23 Taxes and licenses	23	
16 Interest (see instructions):			24 Travel and meals:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	
b Other	16b		b Deductible meals (see instructions)	24b	
17 Legal and professional services	17		25 Utilities	25	
			26 Wages (less employment credits)	26	
			27a Other expenses (from line 48)	27a	
			b Reserved for future use	27b	

28 **Total expenses** before expenses for business use of home. Add lines 8 through 27a **▶** **28** **4615**

29 Tentative profit or (loss). Subtract line 28 from line 7 **29** **93,868**

30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions.

Simplified method filers only: Enter the total square footage of (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30

31 **Net profit or (loss).** Subtract line 30 from line 29. **31** **93,868**

- If a profit, enter on both **Schedule 1 (Form 1040), line 3**, and on **Schedule SE, line 2**. (If you checked the box on line 1, see instructions). Estates and trusts, enter on **Form 1041, line 3**.
- If a loss, you **must** go to line 32.

32 If you have a loss, check the box that describes your investment in this activity. See instructions.

- If you checked 32a, enter the loss on both **Schedule 1 (Form 1040), line 3**, and on **Schedule SE, line 2**. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on **Form 1041, line 3**.
- If you checked 32b, you **must** attach **Form 6198**. Your loss may be limited.

32a All investment is at risk.
32b Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11334P

Schedule C (Form 1040) 2020



**Paycheck Protection Program
Borrower Application Form Revised March 18, 2021**

OMB Control No.: 3245-0407
Expiration Date: 9/30/2021

Check One: <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input checked="" type="checkbox"/> Independent contractor <input type="checkbox"/> Self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Other 501(c) organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal business <input type="checkbox"/> Other	DBA or Tradename (if applicable)	Year of Establishment (if applicable) <p align="center">2019</p>
	Business Legal Name Stephanie Hockridge	NAICS Code <p align="center">541613</p>
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed) [REDACTED] Scottsdale, Arizona 85251	Business TIN (EIN, SSN, ITIN) [REDACTED]	Business Phone [REDACTED]
	Primary Contact Stephanie Hockridge	Email Address [REDACTED]@juuice.com

Average Monthly Payroll: \$5771	x 2.5 + EIDL (Do Not Include Any EIDL Advance) equals Loan Request Amount: \$14427	Number of Employees: 1		
Purpose of the loan (select all that apply):	<input checked="" type="checkbox"/> Payroll Costs <input type="checkbox"/> Covered Property Damage	<input checked="" type="checkbox"/> Rent / Mortgage Interest <input type="checkbox"/> Covered Supplier Costs	<input checked="" type="checkbox"/> Utilities <input type="checkbox"/> Covered Worker Protection Expenditures	<input type="checkbox"/> Covered Operations Expenditures <input checked="" type="checkbox"/> Other (explain): _____

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN, ITIN)	Address
Stephanie Hockridge	Owner	100	[REDACTED]	[REDACTED] Tempe, AZ, 85281

PPP Applicant Demographic Information (Optional)

Veteran/gender/race/ethnicity data is collected for program reporting purposes only. Disclosure is voluntary and will have no bearing on the loan application decision.

Principal Name Stephanie Hockridge	Principal Position Owner
Select Response Below:	
Veteran	<input checked="" type="checkbox"/> Non-Veteran; <input type="checkbox"/> Veteran; <input type="checkbox"/> Service-Disabled Veteran; <input type="checkbox"/> Spouse of Veteran; <input type="checkbox"/> Not Disclosed
Gender	<input type="checkbox"/> Male; <input checked="" type="checkbox"/> Female; <input type="checkbox"/> Not Disclosed
Race (more than 1 may be selected)	<input type="checkbox"/> American Indian or Alaska Native; <input type="checkbox"/> Asian; <input type="checkbox"/> Black or African-American; <input type="checkbox"/> Native Hawaiian or Pacific Islander; <input checked="" type="checkbox"/> White; <input type="checkbox"/> Not Disclosed
Ethnicity	<input type="checkbox"/> Hispanic or Latino; <input checked="" type="checkbox"/> Not Hispanic or Latino; <input type="checkbox"/> Not Disclosed



**Paycheck Protection Program
Borrower Application Form Revised March 18, 2021**

If questions (1), (2), (5), or (6) are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency (other than a Federal student loan made or guaranteed through a program administered by the Department of Education) that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management (including a management agreement) with any other business? If yes, list all such businesses (including their TINs if available) and describe the relationship on a separate sheet identified as addendum A.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Did the Applicant receive an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction? Initial here to confirm your response to question 5 → _____ SH _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 6 → _____ SH _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7. Is the United States the principal place of residence for all employees included in the Applicant's payroll calculation above?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Is the Applicant a franchise?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9. Is the franchise listed in SBA's Franchise Directory? If yes, enter SBA Franchise Identifier Code here: _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>



**Paycheck Protection Program
Borrower Application Form Revised March 18, 2021**

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) and the Department of the Treasury (Treasury) implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and Title V of the American Rescue Plan Act of 2021 (the Paycheck Protection Program Rules).
- The Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) if not a housing cooperative, eligible 501(c)(6) organization, other eligible 501(c) organization, or eligible destination marketing organization, employs no more than the greater of 500 employees or, if applicable, the size standard in number of employees established by SBA in 13 C.F.R. 121.201 for the Applicant’s industry; (3) if a housing cooperative, employs no more than 300 employees; (4) if an eligible 501(c)(6) organization, other eligible 501(c) organization, or eligible destination marketing organization, employs no more than 300 employees per physical location; (5) if NAICS 72 or a 501(c)(3) organization, employs no more than 500 employees per physical location; (6) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business, a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, or an Internet-only news or periodical publisher assigned NAICS code 519130 and engaged in the collection and distribution of local or regional and national news and information, employs no more than 500 employees (or, if applicable, the size standard in number of employees established by SBA in 13 C.F.R. 121.201 for the Applicant’s industry) per location; or (7) is a small business under the applicable revenue-based size standard established by SBA in 13 C.F.R. 121.201 for the Applicant’s industry or under the SBA alternative size standard.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rules including the prohibition on using loan proceeds for lobbying activities and expenditures. If Applicant is a news organization that became eligible for a loan under Section 317 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, proceeds of the loan will be used to support expenses at the component of the business concern that produces or distributes locally focused or emergency information. If the Applicant is an Internet-only news or periodical publisher that became eligible for a loan under Section 5001 of the American Rescue Plan Act of 2021, the proceeds of the loan will be used to support expenses at the component of the business or organization that supports local or regional news.
- I understand that SBA encourages the purchase, to the extent feasible, of American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.
- Any EIDL loan received by the Applicant (Section 7(b)(2) of the Small Business Act) between January 31, 2020 and April 3, 2020 was for a purpose other than paying payroll costs and other allowable uses for loans under the Paycheck Protection Program Rules.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

- SH The Applicant was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees, or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.
- SH Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- SH The funds will be used to retain workers and maintain payroll; or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures as specified under the Paycheck Protection Program Rules; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.
- SH I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, covered utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures, and not more than 40% of the forgiven amount may be for non-payroll costs. If required, the Applicant will provide to the Lender and/or SBA documentation verifying the number of full-time equivalent employees on the Applicant’s payroll as well as the dollar amounts of eligible expenses for the covered period following this loan.
- SH The Applicant has not and will not receive another loan under the Paycheck Protection Program, section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) (this does not include Paycheck Protection Program second draw loans, section 7(a)(37) of the Small Business Act (15 U.S.C. 636(a)(37))).
- SH The Applicant has not been approved for a Shuttered Venue Operator (SVO) grant from SBA as of the date of this loan application, and the Applicant acknowledges that if the Applicant is approved for an SVO grant before SBA issues a loan number for this loan, the Applicant is ineligible for the loan and acceptance of any loan proceeds will be considered an unauthorized use.
- SH The President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act.
- SH The Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f).



**Paycheck Protection Program
Borrower Application Form Revised March 18, 2021**

S H I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

S H I acknowledge that the Lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge, and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

[Redacted Signature]

Signature of Authorized Representative of Applicant
Stephanie Hockridge

Print Name

2/5/2021

Date
Owner

Title



**Paycheck Protection Program
Borrower Application Form Revised March 18, 2021**

Purpose of this form:

This form is to be completed by the authorized representative of the Applicant and *submitted to your SBA Participating Lender*. Submission of the requested information is required to make a determination regarding eligibility for financial assistance. Failure to submit the information would affect that determination.

An Applicant that files an IRS Form 1040, Schedule C, and elects to calculate the PPP loan amount using net profit must use this form. *An Applicant that files an IRS Form 1040, Schedule C, and elects to calculate the PPP loan amount using gross income cannot use this form, and instead must use SBA Form 2483-C.* An Applicant that files an IRS Form 1040, Schedule F, and calculates the PPP loan amount using gross income must also use this form.

Instructions for completing this form:

With respect to Purpose of the Loan, payroll costs consist of compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave (except those paid leave amounts for which a credit is allowed under FFCRA Sections 7001 and 7003); allowance for separation or dismissal; payment for the provision of employee benefits (including insurance premiums) consisting of group health care coverage, group life, disability, vision, or dental insurance, and retirement benefits; payment of state and local taxes assessed on compensation of employees; and, for an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation.

For purposes of calculating Average Monthly Payroll, most Applicants will use the average monthly payroll for 2019 or 2020, excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For seasonal businesses, the Applicant may elect to instead use average total monthly payroll for any twelve-week period selected by the Applicant between February 15, 2019 and February 15, 2020, excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For new businesses, average monthly payroll may be calculated using the time period from January 1, 2020 to February 29, 2020, excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For farmers and ranchers that operate as a sole proprietorship or as an independent contractor, or who are eligible self-employed individuals (including single member LLCs and qualified joint ventures) and report farm income or expenses on a Schedule F (or any equivalent successor IRS form), payroll costs are computed using eligible payroll costs for employees, if any, plus the lesser of \$100,000 and the difference between gross income and any eligible payroll costs for employees, as reported on a Schedule F. For Applicants that file IRS Form 1040, Schedule C, and elect to calculate the PPP loan amount using net profit, payroll costs are computed using line 31 net profit amount, limited to \$100,000, plus any eligible payroll costs for employees (to calculate loan amount using gross income, see SBA Form 2483-C). For Applicants that are partnerships, payroll costs are computed using net earnings from self-employment of individual general partners, as reported on IRS Form 1065 K-1, reduced by section 179 expense deduction claimed, unreimbursed partnership expenses claimed, and depletion claimed on oil and gas properties, multiplied by 0.9235, that is not more than \$100,000, plus any eligible payroll costs for employees.

For Schedule F filers, if the Applicant is a qualified joint venture for federal income tax purposes ((1) the only members of the joint venture are a married couple who file a joint return and each file Schedule F, (2) both spouses materially participate in the trade or business, and (3) both spouses elect not to be treated as a partnership), only one spouse may submit this form on behalf of the qualified joint venture.

For purposes of calculating the loan amount using gross income (Schedule F filers only), use the sum of gross income (Schedule F, line 9) from both spouses. For purposes of reporting Number of Employees, sole proprietors, self-employed individuals, and independent contractors should include themselves as employees (i.e., the minimum number in the box Number of Employees is one). Applicants may use their average employment over the time period used to calculate their aggregate payroll costs to determine their number of employees. Alternatively, Applicants may elect to use the average number of employees per pay period in the 12 completed calendar months prior to the date of the loan application.

For purposes of reporting Year of Establishment, self-employed individuals and independent contractors may enter "NA".

For purposes of reporting NAICS Code, applicants must match the business activity code provided on their IRS income tax filings, if applicable.

If Applicant is refinancing an Economic Injury Disaster Loan (EIDL): Add the outstanding amount of an EIDL made between January 31, 2020 and April 3, 2020 to Loan Request as indicated on the form. Do not add the amount of any EIDL Advance.

All parties listed below are considered owners of the Applicant:

- For a sole proprietorship, the sole proprietor;
- For a partnership, all general partners, and all limited partners owning 20% or more of the equity of the firm;
- For a corporation, all owners of 20% or more of the corporation;
- For limited liability companies, all members owning 20% or more of the company; and
- Any Trustor (if the Applicant is owned by a trust).



**Paycheck Protection Program
Borrower Application Form Revised March 18, 2021**

For purposes of reporting (optional) demographic information:

1. **Purpose.** Veteran/gender/race/ethnicity data is collected for program reporting purposes only.
2. **Description.** This form requests information about each of the Applicant's Principals. Add additional sheets if necessary.
3. **Definition of Principal.** The term "Principal" means:
 - For a self-employed individual, independent contractor, or a sole proprietor, the self-employed individual, independent contractor, or sole proprietor.
 - For a partnership, all general partners and all limited partners owning 20% or more of the equity of the Applicant, or any partner that is involved in the management of the Applicant's business.
 - For a corporation, all owners of 20% or more of the Applicant, and each officer and director.
 - For a limited liability company, all members owning 20% or more of the Applicant, and each officer and director.
 - Any individual hired by the Applicant to manage the day-to-day operations of the Applicant ("key employee").
 - Any trustor (if the Applicant is owned by a trust).
 - For a nonprofit organization, the officers and directors of the Applicant.
4. **Principal Name.** Insert the full name of the Principal.
5. **Principal Position.** Identify the Principal's position; for example, self-employed individual; independent contractor; sole proprietor; general partner; owner; officer; director; member; or key employee.

Paperwork Reduction Act – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 8 minutes. Comments about this time or the information requested should be sent to: Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**

Privacy Act (5 U.S.C. 552a) – Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. (But see Debt Collection Notice regarding taxpayer identification number below.) Disclosures of name and other personal identifiers are required to provide SBA with sufficient information to make a character determination. When evaluating character, SBA considers the person's integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 U.S.C. Section 636(a)(1)(B) of the Small Business Act.

Disclosure of Information – Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act. The Privacy Act authorizes SBA to make certain "routine uses" of information protected by that Act. One such routine use is the disclosure of information maintained in SBA's system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies' function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses. In addition, the CARES Act, requires SBA to register every loan made under the Paycheck Protection Program using the Taxpayer Identification Number (TIN) assigned to the borrower.

Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles) – SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice, or (6) take other action permitted in the loan instruments.

Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) – The Right to Financial Privacy Act of 1978, grants SBA access rights to financial records held by financial institutions that are or have been doing business with you or your business including any financial institutions participating in a loan or loan guaranty. SBA is only required provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records. SBA's access rights continue for the term of any approved loan guaranty agreement. SBA is also authorized to transfer to another Government authority any financial records concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.

Freedom of Information Act (5 U.S.C. 552) – This law provides, with some exceptions, that SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that is generally released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers, the amount of the loan, and the type of the loan. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

Occupational Safety and Health Act (15 U.S.C. 651 et seq.) – The Occupational Safety and Health Administration (OSHA) can require businesses to modify facilities and procedures to protect employees. Businesses that do not comply may be fined and required to abate the hazards in their workplaces. They may also be ordered to cease operations posing an imminent danger of death or serious injury until employees can be protected. Signing this form is certification that the applicant, to the best of its knowledge, is in compliance with the applicable OSHA requirements, and will remain in compliance during the life of the loan.



**Paycheck Protection Program
Borrower Application Form Revised March 18, 2021**

Civil Rights (13 C.F.R. 112, 113, 117) – All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. All borrowers must display the "Equal Employment Opportunity Poster" prescribed by SBA.

Equal Credit Opportunity Act (15 U.S.C. 1691) – Creditors are prohibited from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

Debarment and Suspension Executive Order 12549 (2 C.F.R. Part 180 and Part 2700) – By submitting this loan application, you certify that neither the Applicant or any owner of the Applicant have within the past three years been: (a) debarred, suspended, declared ineligible or voluntarily excluded from participation in a transaction by any Federal Agency; (b) formally proposed for debarment, with a final determination still pending; (c) indicted, convicted, or had a civil judgment rendered against you for any of the offenses listed in the regulations or (d) delinquent on any amounts owed to the U.S. Government or its instrumentalities as of the date of execution of this certification.



Paycheck Protection Program
Lender's Application - Paycheck Protection Program Loan Guaranty
Revised March 18, 2021

OMB Control No.: 3245-0407
 Expiration Date: 9/30/2021

The purpose of this form is to collect identifying information about the Lender, the Applicant, the loan guaranty request, sources and uses of funds, the proposed structure (which includes pricing and the loan term), and compliance with SBA Loan Program Requirements. This form reflects the data fields that will be collected electronically from lenders; no paper version of this form is required or permitted to be submitted. As used in this application, "Paycheck Protection Program Rules" refers to the rules in effect at the time you submit this application that have been issued by the Small Business Administration (SBA) and the Department of the Treasury implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and Title V of the American Rescue Plan Act of 2021.

Instructions for Lenders

All Paycheck Protection Program (PPP) loans are processed by all Lenders under delegated authority from SBA. This application must be submitted and signed electronically in accordance with program requirements, and the information requested is to be retained in the Lender's loan file.

A. Lender Information			
Lender Name:	Capital Plus Financial, LLC	Lender Location ID:	529472
Address:	2247 Central Drive	City:	Bedford
		St:	TX
		Zip:	76021
Lender Contact:	Farzana Giga	Ph:	[REDACTED]
		Cell or Ext:	() -
Contact Email:	[REDACTED]@capitalplusfin.com	Title:	CFO

B. Applicant Information <i>(All Applicant Ownership information provided by the Applicant on SBA Form 2483 or 2483-C must also be submitted electronically)</i>				
Check One: <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input checked="" type="checkbox"/> Independent contractor <input type="checkbox"/> Self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> Single member LLC (self-employed individual) <input type="checkbox"/> Qualified joint venture (self-employed individual) <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Other 501(c) organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal business <input type="checkbox"/> Other				
Applicant	Applicant Legal Name:	Stephanie Hockridge	NAICS Code:	541613
	DBA or Tradename (if applicable):		Business Tax ID:	[REDACTED]
	Year of Establishment (if applicable):	2019	Number of Employees:	1
	Applicant Size Standard (including affiliates, if applicable) (check one):	<input checked="" type="checkbox"/> No more than 500 employees (or 300 employees, if applicable) unless "per location" exception applies <input type="checkbox"/> SBA industry size standards <input type="checkbox"/> SBA alternative size standard		
Applicant Street Address (no P.O. Box Addresses allowed):	[REDACTED]	City, State, Zip:	[REDACTED]	
Applicant Primary Contact:	Stephanie Hockridge	Phone:	[REDACTED]	
Complete this line only if Applicant submitted SBA Form 2483-C:	Total Gross Income (from IRS Form 1040, Schedule C, Line 7)	Tax Year Used for Gross Income		
	\$	<input type="checkbox"/> 2019 <input type="checkbox"/> 2020		

C. Loan Structure Information							
Amount of Loan Request:	\$ 14427	Guarantee %:	100%	Loan Term in # of Months:	60	Payment:	Deferred
Applicant must provide documentation to Lender supporting how the loan amount was calculated in accordance with the Paycheck Protection Program Rules and Lender must retain all such supporting documentation in Lender's file.							
Interest Rate:	1% (calculated on a non-compounding, non-adjustable basis)						

D. Loan Amount Information	
Average Monthly Payroll multiplied by 2.5 <i>If Applicant submitted SBA Form 2483-C, use the amount entered in B in either table, plus the amount entered in C for Applicants with employees (if applicable), multiplied by 2.5</i>	\$ 14427
Refinance of Eligible Economic Injury Disaster Loan (EIDL) (Do Not Include Any EIDL Advance (see Paycheck Protection Program Rules))	\$
Total	\$ 14427

E. General Eligibility *(If the answer is no to any, the loan cannot be approved)*

- The Applicant has certified to the Lender that (1) it was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC; (2) current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant; (3) the funds will be used to retain workers and maintain payroll, or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures; and (4) the Applicant has not and will not receive another loan under the Paycheck Protection Program, section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) (this does not include Paycheck Protection Program second draw loans, section 7(a)(37) of the Small Business Act (15 U.S.C. 636(a)(37))). Yes No
- The Applicant has certified to the Lender that the Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) if not a housing cooperative, eligible 501(c)(6) organization, other eligible 501(c) organization, or eligible destination marketing organization, employs no more than the greater of 500 employees or, if applicable, meets the size standard in number of employees established by the SBA in 13 C.F.R. 121.201 for the Applicant's industry; (3) if a housing cooperative, employs no more than 300 employees; (4) if an eligible 501(c)(6) organization, other eligible 501(c) organization, or eligible destination marketing organization, employs no more than 300 employees per physical location; (5) if NAICS 72 or a 501(c)(3) organization, employs no more than 500 employees per physical location; (6) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business, a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, or an Internet-only news or periodical publisher assigned NAICS code 519130 and engaged in the collection and distribution of local or regional and national news and information, employs no more than 500 employees (or, if applicable, the size standard in number of employees established by SBA in 13 C.F.R. 121.201 for the Applicant's industry) per location; or (7) is a small business under the applicable revenue-based size standard established by SBA in 13 C.F.R. 121.201 for the Applicant's industry or under the SBA alternative size standard. Yes No
- The Applicant has certified to the Lender that (1) it has not been approved for a Shuttered Venue Operator (SVO) grant from SBA as of the date of the loan application, and acknowledged that if the Applicant is approved for an SVO grant before SBA issues a loan number for the loan, the Applicant is ineligible for the loan and acceptance of any loan proceeds will be considered an unauthorized use; (2) the President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act; and (3) the Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f). Yes No

F. Applicant Certification of Eligibility *(If not true, the loan cannot be approved)*

- The Applicant has certified to the Lender that the Applicant is eligible under the Paycheck Protection Program Rules. True

G. Franchise/License/Jobber/Membership or Similar Agreement *(If a franchise and not listed in the SBA Franchise Directory, the loan cannot be approved)*

- The Applicant has represented to the Lender that it is a franchise. Yes No
- The Applicant has represented that the franchise is listed in SBA's Franchise Directory. Yes No
- If Yes, enter the SBA Franchise Identifier Code here: _____

H. Character Determination *(If no, the loan cannot be approved)*

- The Applicant has represented to the Lender that neither the Applicant (if an individual) nor any individual owning 20% or more of the equity of the Applicant is presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction. Yes No
- The Applicant has represented to the Lender that neither the Applicant (if an individual) nor any owner of the Applicant has within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance: 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment). Yes No

I. Prior Loss to Government/Delinquent Federal Debt *(If no, the loan cannot be approved)*

- The Applicant has certified to the Lender that neither the Applicant nor any owner is presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy. Yes No
- The Applicant has certified to the Lender that neither the Applicant nor any of its owners, nor any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency (other than a Federal student loan made or guaranteed through a program administered by the Department of Education) that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government. Yes No

J. U.S. Employees *(If no, the loan cannot be approved)*

- The Applicant has certified that the principal place of residence for all employees included in the Applicant's payroll calculation is the United States. Yes No

K. Fees (If yes, Lender may not pass any agent fee through to the Applicant or offset or pay the fee with the proceeds of this loan)

- Has the Lender directly contracted with a third party to assist in the preparation of the loan application or application materials, or to perform other services in connection with this loan? Yes No

SBA Certification to Financial Institution under Right to Financial Privacy Act (12 U.S.C. 3401)

By signing SBA Form 2483 or 2483-C, Borrower Application Form in connection with this application for an SBA-guaranteed loan, the Applicant certifies that it has read the Statements Required by Law and Executive Orders, which is attached to SBA Form 2483 or 2483-C. As such, SBA certifies that it has complied with the applicable provisions of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) and, pursuant to that Act, no further certification is required for subsequent access by SBA to financial records of the Applicant/Borrower during the term of the loan guaranty.

Lender Certification

On behalf of the Lender, I certify that:

- The Lender has complied with the applicable lender obligations set forth in paragraphs C.3.a.-c. of the interim final rule "Paycheck Protection Program as Amended by Economic Aid Act" (issued on January 6, 2021), and any amendments thereto.
- The Lender has obtained and reviewed the required application (including documents demonstrating qualifying payroll amounts) of the Applicant and will retain copies of such documents in the Applicant's loan file.
- The Lender will register in sam.gov no later than thirty (30) days from the date of the first disbursement of a PPP loan made by the Lender after January 7, 2021 and will provide SBA with the Lender's unique entity identifier.

I certify that:

- Neither the undersigned Authorized Lender Official, nor such individual's spouse or children, has a financial interest in the Applicant.

Authorized Lender Official: _____

Date: 2/5/2021

Type or Print Name: Farzana Giga

Title: CFO

NOTE: According to the Paperwork Reduction Act, you are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated burden for completing this form, including time for reviewing instructions, gathering data needed, and completing and reviewing the form is 25 minutes per response. Comments or questions on the burden estimates should be sent to U.S. Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Rm. 10202, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**



**Paycheck Protection Program
Second Draw Borrower Application Form
Revised March 18, 2021**

OMB Control No.: 3245-0417
Expiration Date: 9/30/2021

Check One: <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input checked="" type="checkbox"/> LLC <input type="checkbox"/> Independent contractor <input type="checkbox"/> Self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Other 501(c) organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal business <input type="checkbox"/> Other	DBA or Tradename (if applicable)	Year of Establishment (if applicable)
		2016
Business Legal Name		NAICS Code
Body Politix, LLC		541613
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed)	Business TIN (EIN, SSN, ITIN)	Business Phone
██████████ Scottsdale, Arizona 85251	██████████	██████████
	Primary Contact	Email Address
	Stephanie Hockridge	██████████@juuice.com

Average Monthly Payroll:	\$ 8333	x 2.5 (or x 3.5 for NAICS 72 applicants) equals Loan Request Amount (may not exceed \$2,000,000):	\$ 20832	Number of Employees (including affiliates, if applicable; may not exceed 300 unless "per location" exception applies):	1
Purpose of the loan (select all that apply):	<input checked="" type="checkbox"/> Payroll Costs	<input checked="" type="checkbox"/> Rent / Mortgage Interest	<input checked="" type="checkbox"/> Utilities	<input type="checkbox"/> Covered Operations Expenditures	
	<input type="checkbox"/> Covered Property Damage	<input type="checkbox"/> Covered Supplier Costs	<input type="checkbox"/> Covered Worker Protection Expenditures	<input checked="" type="checkbox"/> Other (explain): _____	
PPP First Draw SBA Loan Number:	3391698009				

Reduction in Gross Receipts of at Least 25% (Applicants for loans of \$150,000 or less may leave blank but must provide upon or before seeking loan forgiveness or upon SBA request):	2020 Quarter (e.g., 2Q 2020):	Quarter 2 - 2020	Reference Quarter (e.g., 2Q 2019):	Quarter 2 - 2019
	Gross Receipts:	\$ 17950	Gross Receipts	\$ 27618

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN, ITIN)	Address
Stephanie Hockridge	Owner	100	██████████	██████████

PPP Applicant Demographic Information (Optional)

Veteran/gender/race/ethnicity data is collected for program reporting purposes only. Disclosure is voluntary and will have no bearing on the loan application decision.

Principal Name	Stephanie Hockridge	Principal Position	Owner
Select Response Below:			
Veteran	<input checked="" type="checkbox"/> Non-Veteran; <input type="checkbox"/> Veteran; <input type="checkbox"/> Service-Disabled Veteran; <input type="checkbox"/> Spouse of Veteran; <input type="checkbox"/> Not Disclosed		
Gender	<input type="checkbox"/> Male; <input checked="" type="checkbox"/> Female; <input type="checkbox"/> Not Disclosed		
Race (more than 1 may be selected)	<input type="checkbox"/> American Indian or Alaska Native; <input type="checkbox"/> Asian; <input type="checkbox"/> Black or African-American; <input type="checkbox"/> Native Hawaiian or Pacific Islander; <input checked="" type="checkbox"/> White; <input type="checkbox"/> Not Disclosed		
Ethnicity	<input type="checkbox"/> Hispanic or Latino; <input checked="" type="checkbox"/> Not Hispanic or Latino; <input type="checkbox"/> Not Disclosed		



**Paycheck Protection Program
Second Draw Borrower Application Form
Revised March 18, 2021**

If questions (1), (2), (4), or (5) are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency (other than a Federal student loan made or guaranteed through a program administered by the Department of Education) that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management (including a management agreement) with any other business? If yes, list all such businesses (including their TINs if available) and describe the relationship on a separate sheet identified as addendum A.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction? Initial here to confirm your response to question 4 → _____ S H _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. Within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 5 → _____ S H _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Is the United States the principal place of residence for all employees included in the Applicant's payroll calculation above?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Is the Applicant a franchise?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8. Is the franchise listed in SBA's Franchise Directory? If yes, enter SBA Franchise Identifier Code here: _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>



**Paycheck Protection Program
Second Draw Borrower Application Form
Revised March 18, 2021**

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) and the Department of the Treasury (Treasury) implementing Second Draw Paycheck Protection Program Loans under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and Title V of the American Rescue Plan Act of 2021 (the Paycheck Protection Program Rules).
- The Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) employs no more than 300 employees; (3) if NAICS 72, employs no more than 300 employees per physical location; (4) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business, a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, or an Internet-only news or periodical publisher assigned NAICS code 519130 and engaged in the collection and distribution of local or regional and national news and information, employs no more than 300 employees per location; or (5) if a 501(c)(3) organization, an eligible 501(c)(6) organization, other eligible 501(c) organization, eligible destination marketing organization, employs no more than 300 employees per physical location.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rules including the prohibition on using loan proceeds for lobbying activities and expenditures. If Applicant is a news organization that became eligible for a loan under Section 317 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, proceeds of the loan will be used to support expenses at the component of the business concern that produces or distributes locally focused or emergency information. If the Applicant is an Internet-only news or periodical publisher that became eligible for a loan under Section 5001 of the American Rescue Plan Act of 2021, the proceeds of the loan will be used to support expenses at the component of the business or organization that supports local or regional news.
- I understand that SBA encourages the purchase, to the extent feasible, of American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

- SH The Applicant was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees, or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.
- SH Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- SH The Applicant has realized a reduction in gross receipts in excess of 25% relative to the relevant comparison time period. For loans greater than \$150,000, Applicant has provided documentation to the lender substantiating the decline in gross receipts. For loans of \$150,000 or less, Applicant will provide documentation substantiating the decline in gross receipts upon or before seeking loan forgiveness for the Second Draw Paycheck Protection Program Loan or upon SBA request.
- SH The Applicant received a First Draw Paycheck Protection Program Loan and, before the Second Draw Paycheck Protection Program Loan is disbursed, will have used the full loan amount (including any increase) of the First Draw Paycheck Protection Program Loan only for eligible expenses.
- SH The funds will be used to retain workers and maintain payroll; or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures as specified under the Paycheck Protection Program Rules; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.
- SH I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, covered utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures, and not more than 40% of the forgiven amount may be for non-payroll costs. If required, the Applicant will provide to the Lender and/or SBA documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of eligible expenses for the covered period following this loan.
- SH The Applicant has not and will not receive another Second Draw Paycheck Protection Program Loan.



**Paycheck Protection Program
Second Draw Borrower Application Form
Revised March 18, 2021**

SH The Applicant has not been approved for a Shuttered Venue Operator (SVO) grant from SBA as of the date of this loan application, and the Applicant acknowledges that if the Applicant is approved for an SVO grant before SBA issues a loan number for this loan, the Applicant is ineligible for the loan and acceptance of any loan proceeds will be considered an unauthorized use.

SH The President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act.

SH The Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f).

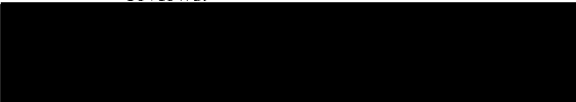
SH The Applicant is not a business concern or entity (a) for which an entity created in or organized under the laws of the People's Republic of China or the Special Administrative Region of Hong Kong, or that has significant operations in the People's Republic of China or the Special Administrative Region of Hong Kong, owns or holds, directly or indirectly, not less than 20 percent of the economic interest of the business concern or entity, including as equity shares or a capital or profit interest in a limited liability company or partnership; or (b) that retains, as a member of the board of directors of the business concern, a person who is a resident of the People's Republic of China.

SH The Applicant is not required to submit a registration statement under section 2 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 612).

SH The Applicant is not a business concern or entity primarily engaged in political or lobbying activities, including any entity that is organized for research or for engaging in advocacy in areas such as public policy or political strategy or otherwise describes itself as a think tank in any public documents.

SH I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

SH I acknowledge that the Lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge, and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.



Signature of Authorized Representative of Applicant

Stephanie Hockridge

Print Name

2/5/2021

Date

Owner

Title



**Paycheck Protection Program
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Purpose of this form:

This form is to be completed by the authorized representative of the Applicant and **submitted to your SBA Participating Lender**. Submission of the requested information is required to make a determination regarding eligibility for financial assistance. Failure to submit the information would affect that determination.

An Applicant that files an IRS Form 1040, Schedule C, and elects to calculate the PPP loan amount using net profit must use this form. *An Applicant that files an IRS Form 1040, Schedule C, and elects to calculate the PPP loan amount using gross income cannot use this form, and instead must use SBA Form 2483-SD-C.* An Applicant that files an IRS Form 1040, Schedule F, and calculates the PPP loan amount using gross income must also use this form.

Instructions for completing this form:

With respect to Purpose of the Loan, payroll costs consist of compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave (except those paid leave amounts for which a credit is allowed under FFCRA Sections 7001 and 7003); allowance for separation or dismissal; payment for the provision of employee benefits (including insurance premiums) consisting of group health care coverage, group life, disability, vision, or dental insurance, and retirement benefits; payment of state and local taxes assessed on compensation of employees; and, for an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation.

For purposes of calculating Average Monthly Payroll, most Applicants will use the average monthly payroll for 2019 or 2020, excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For seasonal businesses, the Applicant may elect to instead use average total monthly payroll for any twelve-week period selected by the Applicant between February 15, 2019 and February 15, 2020, excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For new businesses without 12 months of payroll costs but that were in operation on February 15, 2020, average monthly payroll may be calculated based on the number of months in which payroll costs were incurred, excluding costs over \$100,000 on an annualized basis for each employee, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For farmers and ranchers that operate as a sole proprietorship or as an independent contractor, or who are eligible self-employed individuals (including single member LLCs and qualified joint ventures) and report farm income or expenses on a Schedule F (or any equivalent successor IRS form), payroll costs are computed using eligible payroll costs for employees, if any, plus the lesser of \$100,000 and the difference between gross income and any eligible payroll costs for employees, as reported on a Schedule F. For Applicants that file IRS Form 1040, Schedule C, and elect to calculate the PPP loan amount using net profit, payroll costs are computed using line 31 net profit amount, limited to \$100,000, plus any eligible payroll costs for employees (to calculate loan amount using gross income, see SBA Form 2483-SD-C). For Applicants that are partnerships, payroll costs are computed using net earnings from self-employment of individual general partners, as reported on IRS Form 1065 K-1, reduced by section 179 expense deduction claimed, unreimbursed partnership expenses claimed, and depletion claimed on oil and gas properties, multiplied by 0.9235, that is not more than \$100,000, plus any eligible payroll costs for employees.

For Schedule F filers, if the Applicant is a qualified joint venture for federal income tax purposes ((1) the only members of the joint venture are a married couple who file a joint return and each file Schedule F, (2) both spouses materially participate in the trade or business, and (3) both spouses elect not to be treated as a partnership), only one spouse may submit this form on behalf of the qualified joint venture. For purposes of calculating the loan amount using gross income (Schedule F filers only), use the sum of gross income (Schedule F, line 9) from both spouses.

In determining whether the Applicant experienced at least a 25% reduction in gross receipts, for loans above \$150,000, the Applicant must identify the 2020 quarter meeting this requirement, identify the reference quarter, and state the gross receipts amounts for both quarters, as well as provide supporting documentation. For loans of \$150,000 and below, these fields are not required and the Applicant only must certify that the Applicant has met the 25% gross receipts reduction at the time of application; however, upon or before seeking loan forgiveness (or upon SBA request) the Applicant must provide documentation that identifies the 2020 quarter meeting this requirement, identifies the reference quarter, states the gross receipts amounts for both quarters, and supports the amounts provided. For all loans, the appropriate reference quarter depends on how long the Applicant has been in operation:

- For all Applicants other than those satisfying the conditions set forth below, Applicants must demonstrate that gross receipts in any quarter of 2020 were at least 25% lower than the same quarter of 2019. Alternatively, Applicants may compare annual gross receipts in 2020 with annual gross receipts in 2019; Applicants choosing to use annual gross receipts must enter “Annual” in the 2020 Quarter and Reference Quarter fields and, as required documentation, must submit copies of annual tax forms substantiating the annual gross receipts reduction.
- For Applicants not in business during the first and second quarters of 2019 but in operation during the third and fourth quarters of 2019, Applicants must demonstrate that gross receipts in any quarter of 2020 were at least 25% lower than either the third or fourth quarters of 2019.
- For Applicants not in business during the first, second, and third quarters of 2019 but in operation during the fourth quarter of 2019, Applicants must demonstrate that gross receipts in any quarter of 2020 were at least 25% lower than the fourth quarter of 2019.
- For Applicants not in business during 2019 but in operation on February 15, 2020, Applicants must demonstrate that gross receipts in the second, third, or fourth quarter of 2020 were at least 25% lower than the first quarter of 2020.

Gross receipts includes all revenue in whatever form received or accrued (in accordance with the Applicant’s accounting method) from whatever source, including from the sales of products or services, interest, dividends, rents, royalties, fees, or commissions, reduced by returns and allowances. Generally, receipts are considered “total income” (or in the case of a sole proprietorship “gross income”) plus “cost of goods sold” and excludes net capital gains or losses as these terms are defined and reported on IRS tax return forms. Gross receipts do not include the following: taxes collected for and remitted to a taxing authority if included in gross or total income, such as sales or other taxes collected from customers and excluding taxes levied on the concern or its employees; proceeds from transactions between a concern and its domestic or foreign affiliates; and amounts collected for another by a travel agent, real estate agent, advertising agent, conference management service provider, freight forwarder or customs broker. All other items, such as subcontractor costs, reimbursements for purchases a contractor makes at a customer’s request, investment income, and employee-based costs such as payroll taxes, may not be excluded from gross receipts. Gross receipts of an Applicant must be aggregated with gross receipts of its affiliates. For a nonprofit organization, veterans



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organization, nonprofit news organization, 501(c)(6) organization, and destination marketing organization, gross receipts has the meaning in section 6033 of the Internal Revenue Code of 1986.

For purposes of reporting Number of Employees, sole proprietors, self-employed individuals, and independent contractors should include themselves as employees (i.e., the minimum number in the box Number of Employees is one). For NAICS 72, eligible news organizations, 501(c)(3) organizations, eligible 501(c)(6) organizations, other eligible 501(c) organizations, eligible destination marketing organizations, or Internet-only news or periodical publishers assigned NAICS code 519130, applicants may not exceed 300 employees per physical location. Applicants may use their average employment over the time period used to calculate their aggregate payroll costs to determine their number of employees. Alternatively, Applicants may elect to use the average number of employees per pay period in the 12 completed calendar months prior to the date of the loan application.

For purposes of reporting Year of Establishment, self-employed individuals and independent contractors may enter "NA".

For purposes of reporting NAICS Code, applicants must match the business activity code provided on their IRS income tax filings, if applicable. For purposes of calculating an Applicant's maximum payroll costs, an Applicant may multiply its average monthly payroll costs by 3.5 only if the Applicant is in the Accommodation and Food Services sector and has reported a NAICS code beginning with 72 as its business activity code on its most recent IRS income tax return.

All parties listed below are considered owners of the Applicant:

- For a sole proprietorship, the sole proprietor;
- For a partnership, all general partners, and all limited partners owning 20% or more of the equity of the firm;
- For a corporation, all owners of 20% or more of the corporation;
- For limited liability companies, all members owning 20% or more of the company; and
- Any Trustor (if the Applicant is owned by a trust).

For purposes of reporting (optional) demographic information:

1. **Purpose.** Veteran/gender/race/ethnicity data is collected for program reporting purposes only.
2. **Description.** This form requests information about each of the Applicant's Principals. Add additional sheets if necessary.
3. **Definition of Principal.** The term "Principal" means:
 - For a self-employed individual, independent contractor, or a sole proprietor, the self-employed individual, independent contractor, or sole proprietor.
 - For a partnership, all general partners and all limited partners owning 20% or more of the equity of the Applicant, or any partner that is involved in the management of the Applicant's business.
 - For a corporation, all owners of 20% or more of the Applicant, and each officer and director.
 - For a limited liability company, all members owning 20% or more of the Applicant, and each officer and director.
 - Any individual hired by the Applicant to manage the day-to-day operations of the Applicant ("key employee").
 - Any trustor (if the Applicant is owned by a trust).
 - For a nonprofit organization, the officers and directors of the Applicant.
4. **Principal Name.** Insert the full name of the Principal.
5. **Principal Position.** Identify the Principal's position; for example, self-employed individual; independent contractor; sole proprietor; general partner; owner; officer; director; member; or key employee.

Paperwork Reduction Act – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 8 minutes. Comments about this time or the information requested should be sent to: Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**

Privacy Act (5 U.S.C. 552a) – Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. (But see Debt Collection Notice regarding taxpayer identification number below.) Disclosures of name and other personal identifiers are required to provide SBA with sufficient information to make a character determination. When evaluating character, SBA considers the person's integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 U.S.C. 636(a)(1)(B) of the Small Business Act.

Disclosure of Information – Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act. The Privacy Act authorizes SBA to make certain "routine uses" of information protected by that Act. One such routine use is the disclosure of information maintained in SBA's system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies' function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses. In addition, the CARES Act, requires SBA to register every loan made under the Paycheck Protection Program using the Taxpayer Identification Number (TIN) assigned to the borrower.



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Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles) – SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice, or (6) take other action permitted in the loan instruments.

Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) – The Right to Financial Privacy Act of 1978, grants SBA access rights to financial records held by financial institutions that are or have been doing business with you or your business including any financial institutions participating in a loan or loan guaranty. SBA is only required provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records. SBA's access rights continue for the term of any approved loan guaranty agreement. SBA is also authorized to transfer to another Government authority any financial records concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.

Freedom of Information Act (5 U.S.C. 552) – This law provides, with some exceptions, that SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that is generally released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers, the amount of the loan, and the type of the loan. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

Occupational Safety and Health Act (15 U.S.C. 651 et seq.) – The Occupational Safety and Health Administration (OSHA) can require businesses to modify facilities and procedures to protect employees. Businesses that do not comply may be fined and required to abate the hazards in their workplaces. They may also be ordered to cease operations posing an imminent danger of death or serious injury until employees can be protected. Signing this form is certification that the applicant, to the best of its knowledge, is in compliance with the applicable OSHA requirements, and will remain in compliance during the life of the loan.

Civil Rights (13 C.F.R. 112, 113, 117) – All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. All borrowers must display the "Equal Employment Opportunity Poster" prescribed by SBA.

Equal Credit Opportunity Act (15 U.S.C. 1691) – Creditors are prohibited from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

Debarment and Suspension Executive Order 12549 (2 C.F.R. Part 180 and Part 2700) – By submitting this loan application, you certify that neither the Applicant or any owner of the Applicant have within the past three years been: (a) debarred, suspended, declared ineligible or voluntarily excluded from participation in a transaction by any Federal Agency; (b) formally proposed for debarment, with a final determination still pending; (c) indicted, convicted, or had a civil judgment rendered against you for any of the offenses listed in the regulations or (d) delinquent on any amounts owed to the U.S. Government or its instrumentalities as of the date of execution of this certification.



Paycheck Protection Program
Lender's Application - Second Draw Loan Guaranty
Revised March 18, 2021

OMB Control No.: 3245-0417
 Expiration Date: 9/30/2021

The purpose of this form is to collect identifying information about the Lender, the Applicant, the loan guaranty request, sources and uses of funds, the proposed structure (which includes pricing and the loan term), and compliance with SBA Loan Program Requirements. This form reflects the data fields that will be collected electronically from lenders; no paper version of this form is required or permitted to be submitted. As used in this application, "Paycheck Protection Program Rules" refers to the rules in effect at the time you submit this application that have been issued by the Small Business Administration (SBA) and the Department of the Treasury implementing the Paycheck Protection Program, including Second Draw Paycheck Protection Program Loans, under Division A, Title I of the Coronavirus Aid, Relief, Economic Security Act and Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and Title V of the American Rescue Plan Act of 2021.

Instructions for Lenders

All Second Draw Paycheck Protection Program (PPP) Loans are processed by all Lenders under delegated authority from SBA. This application must be submitted and signed electronically in accordance with program requirements, and the information requested is to be retained in the Lender's loan file.

A. Lender Information			
Lender Name:	Capital Plus Financial, LLC	Lender Location ID:	529472
Address:	2247 Central Drive	City:	Bedford
		St:	TX
		Zip:	76021
Lender Contact:	Farzana Giga	Ph:	[REDACTED]
		Cell or Ext:	() -
Contact Email:	[REDACTED]@capitalplusfin.com	Title:	CFO

B. Applicant Information (All Applicant Ownership information provided by the Applicant on the 2483-SD or 2483-SD-C must also be submitted electronically)			
Check One: <input checked="" type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent contractor <input type="checkbox"/> Self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> Single member LLC (self-employed individual) <input type="checkbox"/> Qualified joint venture (self-employed individual) <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Other 501(c) organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal business <input type="checkbox"/> Other			
Applicant Legal Name:	Body Politix, LLC	NAICS Code:	541613
DBA or Tradename (if applicable):		Business Tax ID:	[REDACTED]
Year of Establishment (if applicable):	2016	Number of Employees:	1
Applicant Street Address (no P.O. Box Addresses Allowed):	[REDACTED]	City, State, Zip:	Scottsdale, Arizona 85251
Applicant Primary Contact:	Stephanie Hockridge	Phone:	[REDACTED]
SBA Loan Number for First Draw PPP Loan : 3391698009			
Reduction in Gross Receipts of at Least 25% (must provide for loans of more than \$150,000; provide for loans of \$150,000 or less ONLY if Applicant provided documentation and lender performed good faith review):	2020 Quarter:	Quarter 2 - 2020	Reference Quarter: Quarter 2 - 2019
	Gross Receipts \$	17950	Gross Receipts: \$ 27618
Complete this line only if Applicant submitted SBA Form 2483-SD-C:	Total Gross Income (from IRS Form 1040, Schedule C, Line 7)		Tax Year Used for Gross Income
	\$ 0		<input type="checkbox"/> 2019 <input checked="" type="checkbox"/> 2020

C. Loan Structure Information							
Amount of Loan Request:	\$ 20832	Guarantee %:	100%	Loan Term in # of Months:	60	Payment:	Deferred
Applicant must provide documentation to Lender supporting how the loan amount was calculated in accordance with the Paycheck Protection Program Rules, and Lender must retain all such supporting documentation in Lender's file.							
Interest Rate:	1% (calculated on a non-compounding, non-adjustable basis)						

D. Loan Amount Information	
Average Monthly Payroll multiplied by 2.5 (or multiplied by 3.5 for NAICS 72 applicants) <i>If Applicant submitted SBA Form 2483-SD-C, use the amount entered in B in either table, plus the amount entered in C for Applicants with employees (if applicable), multiplied by 2.5 (or multiplied by 3.5 for NAICS 72 applicants)</i>	\$ 20832
Total (may not exceed \$2,000,000)	\$ 20832

E. General Eligibility (If the answer is no to any, the loan cannot be approved)

- The Applicant has certified to the Lender that (1) it was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC; (2) current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant; (3) it received a First Draw Paycheck Protection Program Loan and, before the Second Draw PPP Loan is disbursed, will have used the full loan amount (including any increase) of the First Draw Paycheck Protection Program Loan only for eligible expenses; (4) the funds will be used to retain workers and maintain payroll, or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures. Yes No
- The Applicant has certified to the Lender that it has realized a reduction in gross receipts in excess of 25% relative to the relevant comparison time period. For loans greater than \$150,000 (or if the loan is \$150,000 or less and the Applicant provides documentation of revenue reduction with its application), the Applicant has provided documentation to the Lender substantiating the decline in gross receipts and the Lender has confirmed the dollar amount and percentage of the Applicant's decline in gross receipts by performing a good faith review, in a reasonable time, of the Applicant's calculations and of the gross receipts documentation provided by the Applicant. For loans of \$150,000 or less that have not provided documentation, the Applicant has certified to the Lender that it will provide documentation substantiating the decline in gross receipts upon or before seeking loan forgiveness or upon SBA request. Yes No
- The Applicant has certified to the Lender that the Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) employs no more than 300 employees; (3) if NAICS 72, employs no more than 300 employees per physical location; (4) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business, a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, or an Internet-only news or periodical publisher assigned NAICS code 519130 and engaged in the collection and distribution of local or regional and national news and information, employs no more than 300 employees per location; or (5) if a 501(c)(3) organization, an eligible 501(c)(6) organization, other eligible 501(c) organization, or eligible destination marketing organization, employs no more than 300 employees per physical location. Yes No
- The Applicant has certified to the Lender that (1) it has not been approved for a Shuttered Venue Operator (SVO) grant from SBA as of the date of the loan application, and acknowledged that if the Applicant is approved for an SVO grant before SBA issues a loan number for the loan, the Applicant is ineligible for the loan and acceptance of any loan proceeds will be considered an unauthorized use; (2) the President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act; (3) the Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f); (4) the Applicant is not a business concern or entity (a) for which an entity created in or organized under the laws of the People's Republic of China or the Special Administrative Region of Hong Kong, or that has significant operations in the People's Republic of China or the Special Administrative Region of Hong Kong, owns or holds, directly or indirectly, not less than 20 percent of the economic interest of the business concern or entity, including as equity shares or a capital or profit interest in a limited liability company or partnership; or (b) that retains, as a member of the board of directors of the business concern, a person who is a resident of the People's Republic of China; (5) the Applicant is not required to submit a registration statement under section 2 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 612); and (6) the Applicant is not a business concern or entity primarily engaged in political or lobbying activities, including any entity that is organized for research or for engaging in advocacy in areas such as public policy or political strategy or otherwise describes itself as a think tank in any public documents. Yes No
- The Applicant has certified to the Lender that the Applicant has not and will not receive another Second Draw Paycheck Protection Program Loan. Yes No

F. Applicant Certification of Eligibility (If not true, the loan cannot be approved)

- The Applicant has certified to the Lender that the Applicant is eligible under the Paycheck Protection Program Rules. True

G. Franchise/License/Jobber/Membership or Similar Agreement (If a franchise and not listed in the SBA Franchise Directory, the loan cannot be approved)

- The Applicant has represented to the Lender that it is a franchise. Yes No
- The Applicant has represented that the franchise is listed in SBA's Franchise Directory. Yes No
- If Yes, enter the SBA Franchise Identifier Code here: _____

H. Character Determination (If no, the loan cannot be approved)

- The Applicant has represented to the Lender that neither the Applicant (if an individual) nor any individual owning 20% or more of the equity of the Applicant is presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction. Yes No
- The Applicant has represented to the Lender that neither the Applicant (if an individual) nor any owner of the Applicant has within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance: 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment). Yes No

I. Prior Loss to Government/Delinquent Federal Debt (If no, the loan cannot be approved)		
• The Applicant has certified to the Lender that neither the Applicant nor any owner is presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
• The Applicant has certified to the Lender that neither the Applicant nor any of its owners, nor any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency (other than a Federal student loan made or guaranteed through a program administered by the Department of Education) that is (a) currently delinquent or (b) has defaulted in the last 7 years and caused a loss to the government.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

J. U.S. Employees (If no, the loan cannot be approved)		
• The Applicant has certified that the principal place of residence for all employees included in the Applicant's payroll calculation is the United States.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

K. Fees (If yes, Lender may not pass any agent fee through to the Applicant or offset or pay the fee with the proceeds of this loan)		
• Has the Lender directly contracted with a third party to assist in the preparation of the loan application or application materials, or to perform other services in connection with this loan?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

SBA Certification to Financial Institution under Right to Financial Privacy Act (12 U.S.C. 3401)

By signing SBA Form 2483-SD or 2483-SD-C, Borrower Application Form in connection with this application for an SBA-guaranteed loan, the Applicant certifies that it has read the Statements Required by Law and Executive Orders, which is attached to SBA Form 2483-SD or 2483-SD-C. As such, SBA certifies that it has complied with the applicable provisions of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) and, pursuant to that Act, no further certification is required for subsequent access by SBA to financial records of the Applicant/Borrower during the term of the loan guaranty.

Lender Certification

On behalf of the Lender, I certify that:

- The Lender has complied with the applicable lender obligations set forth in paragraphs (h)(2)(i)(A)-(D) of the interim final rule "Paycheck Protection Program Second Draw Loans" (issued on January 6, 2021), and any amendments thereto.
- The Lender has obtained and reviewed the required application (including documents demonstrating qualifying payroll amounts and, if required, qualifying gross receipts reduction) of the Applicant and will retain copies of such documents in the Applicant's loan file.
- The Lender will register in sam.gov no later than thirty (30) days from the date of the first disbursement of a First Draw PPP Loan or Second Draw PPP Loan made by the Lender after January 7, 2021 and will provide SBA with the Lender's unique entity identifier.

I certify that:

- Neither the undersigned Authorized Lender Official, nor such individual's spouse or children, has a financial interest in the Applicant.

Authorized Lender Official: _____ Date: 2/5/2021

Type or Print Name: Farzana Giga Title: CFO

NOTE: According to the Paperwork Reduction Act, you are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated burden for completing this form, including time for reviewing instructions, gathering data needed, and completing and reviewing the form is 25 minutes per response. Comments or questions on the burden estimates should be sent to U.S. Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Rm. 10202, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**

SCHEDULE C
(Form 1040 or 1040-SR)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2019
Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

▶ Go to www.irs.gov/ScheduleC for instructions and the latest information.

▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor Stephanie Hockridge	Social security number (SSN) [REDACTED]
A Principal business or profession, including product or service (see instructions) Marketing & Media Consulting	B Enter code from instructions ▶ 5 4 1 6 1 3
C Business name. If no separate business name, leave blank. Body Politix, LLC	D Employer ID number (EIN) (see instr.) [REDACTED]
E Business address (including suite or room no.) ▶ [REDACTED] City, town or post office, state, and ZIP code Scottsdale, AZ 85251	
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶	
G Did you "materially participate" in the operation of this business during 2019? If "No," see instructions for limit on losses	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
H If you started or acquired this business during 2019, check here	<input type="checkbox"/>
I Did you make any payments in 2019 that would require you to file Form(s) 1099? (see instructions)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
J If "Yes," did you or will you file required Forms 1099?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked	▶ <input type="checkbox"/>	1	192,287.00
2 Returns and allowances		2	11,620.00
3 Subtract line 2 from line 1		3	180,667.00
4 Cost of goods sold (from line 42)		4	58,175.00
5 Gross profit. Subtract line 4 from line 3		5	129,492.00
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		6	
7 Gross income. Add lines 5 and 6		7	129,492.00

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8	5862.00	18 Office expense (see instructions)	18	6,818.00
9 Car and truck expenses (see instructions)	9		19 Pension and profit-sharing plans	19	
10 Commissions and fees	10	518.00	20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		21 Repairs and maintenance	21	
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15	889.00	23 Taxes and licenses	23	
16 Interest (see instructions):			24 Travel and meals:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	3946.00
b Other	16b		b Deductible meals (see instructions)	24b	
17 Legal and professional services	17		25 Utilities	25	1171.00
28 Total expenses before expenses for business use of home. Add lines 8 through 27a			26 Wages (less employment credits)	26	
29 Tentative profit or (loss). Subtract line 28 from line 7			27a Other expenses (from line 48)	27a	
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30			27b Reserved for future use	27b	
31 Net profit or (loss). Subtract line 30 from line 29.			28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28	19,022.00
• If a profit, enter on both Schedule 1 (Form 1040 or 1040-SR), line 3 (or Form 1040-NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 .			29 Tentative profit or (loss). Subtract line 28 from line 7	29	110,470.00
• If a loss, you must go to line 32.			30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30	0
32 If you have a loss, check the box that describes your investment in this activity (see instructions).			31 Net profit or (loss). Subtract line 30 from line 29.	31	110,470.00
• If you checked 32a, enter the loss on both Schedule 1 (Form 1040 or 1040-SR), line 3 (or Form 1040-NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3 .			• If a profit, enter on both Schedule 1 (Form 1040 or 1040-SR), line 3 (or Form 1040-NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 .		
• If you checked 32b, you must attach Form 6198 . Your loss may be limited.			• If a loss, you must go to line 32.		
			32a <input checked="" type="checkbox"/> All investment is at risk.	32a	
			32b <input type="checkbox"/> Some investment is not at risk.	32b	

Juice, INC
Payroll Report 01/01/2020 - 12/31/2020

	TOTAL AMOUNT	Lincoln Jore	Nathan Reis	Stephanie Hockridge Reis
EMPLOYEES WAGES, TAXES & ADJUSTMENTS				
Gross Pay				
Sal	\$300,000.00	\$100,000.00	\$100,000.00	\$100,000.00
Total Gross Pay	\$300,000.00	\$100,000.00	\$100,000.00	\$100,000.00
Other Pay				
Total Other Pay				
Deductions from Gross Pay				
BCBSAZ				
Total Deductions from Gross Pay				
Adjusted Gross Pay				
Taxes Withheld				
FIT				
SS				
Med				
AZ PIT				
Total Taxes Withheld				
Deductions from Net Pay				
Total Deductions from Net Pay				
NET PAY				
EMPLOYER TAXES & CONTRIBUTIONS				
FUTA				
SS				
Med				
AZ SUI				
BCBSAZ				
Total Employer Taxes and Contributions				

PPP Reconciliation

Total Annual Payroll	\$300,000.00
Add Backs	
Employer Paid Health Insurance	\$35,376.00
Total PPP Qualified Payroll	\$335,376.00
Average Monthly	\$27,948.00
Multiplied by 2.5	\$69,870.00

$300,000 + 5,850 + 35,376 = 341,526$

$341,526 \text{ (divided by) } 12 = 28,460$

$28,460 \text{ (multiplied by) } 2.5 = 71,151$



Paycheck Protection Program
Lender's Application - Second Draw Loan Guaranty
Revised March 18, 2021

OMB Control No.: 3245-0417
 Expiration Date: 9/30/2021

The purpose of this form is to collect identifying information about the Lender, the Applicant, the loan guaranty request, sources and uses of funds, the proposed structure (which includes pricing and the loan term), and compliance with SBA Loan Program Requirements. This form reflects the data fields that will be collected electronically from lenders; no paper version of this form is required or permitted to be submitted. As used in this application, "Paycheck Protection Program Rules" refers to the rules in effect at the time you submit this application that have been issued by the Small Business Administration (SBA) and the Department of the Treasury implementing the Paycheck Protection Program, including Second Draw Paycheck Protection Program Loans, under Division A, Title I of the Coronavirus Aid, Relief, Economic Security Act and Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and Title V of the American Rescue Plan Act of 2021.

Instructions for Lenders

All Second Draw Paycheck Protection Program (PPP) Loans are processed by all Lenders under delegated authority from SBA. This application must be submitted and signed electronically in accordance with program requirements, and the information requested is to be retained in the Lender's loan file.

A. Lender Information			
Lender Name:	Capital Plus Financial, LLC	Lender Location ID:	529472
Address:	2247 Central Drive	City:	Bedford
		St:	TX
		Zip:	76021
Lender Contact:	Farzana Giga	Ph:	[REDACTED]
		Cell or Ext:	() -
Contact Email:	[REDACTED]@capitalplusfin.com	Title:	CFO

B. Applicant Information <i>(All Applicant Ownership information provided by the Applicant on the 2483-SD or 2483-SD-C must also be submitted electronically)</i>				
Check One: <input checked="" type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent contractor <input type="checkbox"/> Self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> Single member LLC (self-employed individual) <input type="checkbox"/> Qualified joint venture (self-employed individual) <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Other 501(c) organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal business <input type="checkbox"/> Other				
Applicant Legal Name:	Juuce, INC.	NAICS Code:	532210	
DBA or Tradename (if applicable):		Business Tax ID:	[REDACTED]	
Year of Establishment (if applicable):	2020	Number of Employees:	3	
Applicant Street Address (no P.O. Box Addresses Allowed):	[REDACTED]	City, State, Zip:	Scottsdale, Arizona 85251	
Applicant Primary Contact:	Nathan Reis	Phone:	[REDACTED]	
SBA Loan Number for First Draw PPP Loan : 9174317310				
Reduction in Gross Receipts of at Least 25% (must provide for loans of more than \$150,000; provide for loans of \$150,000 or less ONLY if Applicant provided documentation and lender performed good faith review):	2020 Quarter:	Quarter 4 - 2020	Reference Quarter:	Quarter 4 - 2019
	Gross Receipts \$	25000	Gross Receipts: \$	200000
Complete this line only if Applicant submitted SBA Form 2483-SD-C:	Total Gross Income (from IRS Form 1040, Schedule C, Line 7)		Tax Year Used for Gross Income	
	\$ 0		<input type="checkbox"/> 2019 <input checked="" type="checkbox"/> 2020	

C. Loan Structure Information							
Amount of Loan Request:	\$ 62500	Guarantee %:	100%	Loan Term in # of Months:	60	Payment:	Deferred
Applicant must provide documentation to Lender supporting how the loan amount was calculated in accordance with the Paycheck Protection Program Rules, and Lender must retain all such supporting documentation in Lender's file.							
Interest Rate:	1% (calculated on a non-compounding, non-adjustable basis)						

D. Loan Amount Information	
Average Monthly Payroll multiplied by 2.5 (or multiplied by 3.5 for NAICS 72 applicants) <i>If Applicant submitted SBA Form 2483-SD-C, use the amount entered in B in either table, plus the amount entered in C for Applicants with employees (if applicable), multiplied by 2.5 (or multiplied by 3.5 for NAICS 72 applicants)</i>	\$ 62500
Total <i>(may not exceed \$2,000,000)</i>	\$ 62500

E. General Eligibility (If the answer is no to any, the loan cannot be approved)

- The Applicant has certified to the Lender that (1) it was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC; (2) current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant; (3) it received a First Draw Paycheck Protection Program Loan and, before the Second Draw PPP Loan is disbursed, will have used the full loan amount (including any increase) of the First Draw Paycheck Protection Program Loan only for eligible expenses; (4) the funds will be used to retain workers and maintain payroll, or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures. Yes No
- The Applicant has certified to the Lender that it has realized a reduction in gross receipts in excess of 25% relative to the relevant comparison time period. For loans greater than \$150,000 (or if the loan is \$150,000 or less and the Applicant provides documentation of revenue reduction with its application), the Applicant has provided documentation to the Lender substantiating the decline in gross receipts and the Lender has confirmed the dollar amount and percentage of the Applicant's decline in gross receipts by performing a good faith review, in a reasonable time, of the Applicant's calculations and of the gross receipts documentation provided by the Applicant. For loans of \$150,000 or less that have not provided documentation, the Applicant has certified to the Lender that it will provide documentation substantiating the decline in gross receipts upon or before seeking loan forgiveness or upon SBA request. Yes No
- The Applicant has certified to the Lender that the Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) employs no more than 300 employees; (3) if NAICS 72, employs no more than 300 employees per physical location; (4) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business, a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, or an Internet-only news or periodical publisher assigned NAICS code 519130 and engaged in the collection and distribution of local or regional and national news and information, employs no more than 300 employees per location; or (5) if a 501(c)(3) organization, an eligible 501(c)(6) organization, other eligible 501(c) organization, or eligible destination marketing organization, employs no more than 300 employees per physical location. Yes No
- The Applicant has certified to the Lender that (1) it has not been approved for a Shuttered Venue Operator (SVO) grant from SBA as of the date of the loan application, and acknowledged that if the Applicant is approved for an SVO grant before SBA issues a loan number for the loan, the Applicant is ineligible for the loan and acceptance of any loan proceeds will be considered an unauthorized use; (2) the President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act; (3) the Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f); (4) the Applicant is not a business concern or entity (a) for which an entity created in or organized under the laws of the People's Republic of China or the Special Administrative Region of Hong Kong, or that has significant operations in the People's Republic of China or the Special Administrative Region of Hong Kong, owns or holds, directly or indirectly, not less than 20 percent of the economic interest of the business concern or entity, including as equity shares or a capital or profit interest in a limited liability company or partnership; or (b) that retains, as a member of the board of directors of the business concern, a person who is a resident of the People's Republic of China; (5) the Applicant is not required to submit a registration statement under section 2 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 612); and (6) the Applicant is not a business concern or entity primarily engaged in political or lobbying activities, including any entity that is organized for research or for engaging in advocacy in areas such as public policy or political strategy or otherwise describes itself as a think tank in any public documents. Yes No
- The Applicant has certified to the Lender that the Applicant has not and will not receive another Second Draw Paycheck Protection Program Loan. Yes No

F. Applicant Certification of Eligibility (If not true, the loan cannot be approved)

- The Applicant has certified to the Lender that the Applicant is eligible under the Paycheck Protection Program Rules. True

G. Franchise/License/Jobber/Membership or Similar Agreement (If a franchise and not listed in the SBA Franchise Directory, the loan cannot be approved)

- The Applicant has represented to the Lender that it is a franchise. Yes No
- The Applicant has represented that the franchise is listed in SBA's Franchise Directory. Yes No
- If Yes, enter the SBA Franchise Identifier Code here: _____

H. Character Determination (If no, the loan cannot be approved)

- The Applicant has represented to the Lender that neither the Applicant (if an individual) nor any individual owning 20% or more of the equity of the Applicant is presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction. Yes No
- The Applicant has represented to the Lender that neither the Applicant (if an individual) nor any owner of the Applicant has within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance: 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment). Yes No

I. Prior Loss to Government/Delinquent Federal Debt <i>(If no, the loan cannot be approved)</i>		
• The Applicant has certified to the Lender that neither the Applicant nor any owner is presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
• The Applicant has certified to the Lender that neither the Applicant nor any of its owners, nor any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency (other than a Federal student loan made or guaranteed through a program administered by the Department of Education) that is (a) currently delinquent or (b) has defaulted in the last 7 years and caused a loss to the government.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
J. U.S. Employees <i>(If no, the loan cannot be approved)</i>		
• The Applicant has certified that the principal place of residence for all employees included in the Applicant's payroll calculation is the United States.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
K. Fees <i>(If yes, Lender may not pass any agent fee through to the Applicant or offset or pay the fee with the proceeds of this loan)</i>		
• Has the Lender directly contracted with a third party to assist in the preparation of the loan application or application materials, or to perform other services in connection with this loan?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

SBA Certification to Financial Institution under Right to Financial Privacy Act (12 U.S.C. 3401)

By signing SBA Form 2483-SD or 2483-SD-C, Borrower Application Form in connection with this application for an SBA-guaranteed loan, the Applicant certifies that it has read the Statements Required by Law and Executive Orders, which is attached to SBA Form 2483-SD or 2483-SD-C. As such, SBA certifies that it has complied with the applicable provisions of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) and, pursuant to that Act, no further certification is required for subsequent access by SBA to financial records of the Applicant/Borrower during the term of the loan guaranty.

Lender Certification

On behalf of the Lender, I certify that:

- The Lender has complied with the applicable lender obligations set forth in paragraphs (h)(2)(i)(A)-(D) of the interim final rule "Paycheck Protection Program Second Draw Loans" (issued on January 6, 2021), and any amendments thereto.
- The Lender has obtained and reviewed the required application (including documents demonstrating qualifying payroll amounts and, if required, qualifying gross receipts reduction) of the Applicant and will retain copies of such documents in the Applicant's loan file.
- The Lender will register in sam.gov no later than thirty (30) days from the date of the first disbursement of a First Draw PPP Loan or Second Draw PPP Loan made by the Lender after January 7, 2021 and will provide SBA with the Lender's unique entity identifier.

I certify that:

- Neither the undersigned Authorized Lender Official, nor such individual's spouse or children, has a financial interest in the Applicant.

Authorized Lender Official: _____ Date: 2/5/2021
 Type or Print Name: Farzana Giga Title: CFO

NOTE: According to the Paperwork Reduction Act, you are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated burden for completing this form, including time for reviewing instructions, gathering data needed, and completing and reviewing the form is 25 minutes per response. Comments or questions on the burden estimates should be sent to U.S. Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Rm. 10202, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**



**Paycheck Protection Program
Borrower Application Form for Schedule C Filers Using Gross Income
Revised March 18, 2021**

PPP Applicant Demographic Information (Optional)

Veteran/gender/race/ethnicity data is collected for program reporting purposes only. Disclosure is voluntary and will have no bearing on the loan application decision.

Principal Name	Principal Position
██████████ Owensby	Owner
Select Response Below:	
Veteran	<input checked="" type="checkbox"/> Non-Veteran; <input type="checkbox"/> Veteran; <input type="checkbox"/> Service-Disabled Veteran; <input type="checkbox"/> Spouse of Veteran; <input type="checkbox"/> Not Disclosed
Gender	<input type="checkbox"/> Male; <input checked="" type="checkbox"/> Female; <input type="checkbox"/> Not Disclosed
Race (more than 1 may be selected)	<input type="checkbox"/> American Indian or Alaska Native; <input type="checkbox"/> Asian; <input type="checkbox"/> Black or African-American; <input type="checkbox"/> Native Hawaiian or Pacific Islander; <input checked="" type="checkbox"/> White; <input type="checkbox"/> Not Disclosed
Ethnicity	<input type="checkbox"/> Hispanic or Latino; <input checked="" type="checkbox"/> Not Hispanic or Latino; <input type="checkbox"/> Not Disclosed

If questions (1), (2), (5), or (6) are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency (other than a Federal student loan made or guaranteed through a program administered by the Department of Education) that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management (including a management agreement) with any other business? If yes, list all such businesses (including their TINs if available) and describe the relationship on a separate sheet identified as addendum A.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Did the Applicant receive an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. Is the Applicant (if an individual) or any owner of the Applicant presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction? Initial here to confirm your response to question 5 → _____ RO _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 6 → _____ RO _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7. Is the United States the principal place of residence for the owner(s) of the Applicant and all employees included in the Applicant's payroll calculation above?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Is the Applicant a franchise?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9. Is the franchise listed in SBA's Franchise Directory? If yes, enter SBA Franchise Identifier Code here: _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>



**Paycheck Protection Program
Borrower Application Form for Schedule C Filers Using Gross Income
Revised March 18, 2021**

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) and the Department of the Treasury (Treasury) implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act), and Title V of the American Rescue Plan Act of 2021 (the Paycheck Protection Program Rules).
- The Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) employs no more than the greater of 500 employees or, if applicable, the size standard in number of employees established by SBA in 13 C.F.R. 121.201 for the Applicant’s industry; (3) if NAICS 72, employs no more than 500 employees per physical location; (4) if an Internet-only news or periodical publisher assigned NAICS code 519130 and engaged in the collection and distribution of local or regional and national news and information, employs no more than 500 employees (or the size standard in number of employees established by SBA in 13 C.F.R. 121.201 for the Applicant’s industry) per physical location; or (5) is a small business under the applicable revenue-based size standard established by SBA in 13 C.F.R. 121.201 for the Applicant’s industry or under the SBA alternative size standard.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All loan proceeds will be used only for business-related purposes (including payroll and other proprietor expenses, which is business expenses plus owner compensation, as defined in the interim final rule posted on March 3, 2021) as specified in the loan application and consistent with the Paycheck Protection Program Rules including the prohibition on using loan proceeds for lobbying activities and expenditures. If the Applicant is an Internet-only news or periodical publisher that became eligible for a loan under Section 5001 of the American Rescue Plan Act of 2021, the proceeds of the loan will be used to support expenses at the component of the business or organization that supports local or regional news.
- I understand that SBA encourages the purchase, to the extent feasible, of American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.
- Any EIDL loan received by the Applicant (Section 7(b)(2) of the Small Business Act) between January 31, 2020 and April 3, 2020 was for a purpose other than paying payroll costs and other allowable uses for loans under the Paycheck Protection Program Rules.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one (the terms “payroll” and “payroll costs” as used in the below certifications include proprietor expenses (business expenses plus owner compensation)):

- RO The Applicant was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees, or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.
- RO Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- RO The funds will be used to retain workers and maintain payroll; or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures as specified under the Paycheck Protection Program Rules; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.
- RO I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, covered utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures, and not more than 40% of the forgiven amount may be for non-payroll costs. If required, the Applicant will provide to the Lender and/or SBA documentation verifying the number of full-time equivalent employees on the Applicant’s payroll as well as the dollar amounts of eligible expenses for the covered period following this loan.
- RO The Applicant has not and will not receive another loan under the Paycheck Protection Program, section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) (this does not include Paycheck Protection Program second draw loans, section 7(a)(37) of the Small Business Act (15 U.S.C. 636(a)(37)).
- RO The Applicant has not been approved for a Shuttered Venue Operator (SVO) grant from SBA as of the date of this application, and the Applicant acknowledges that if the Applicant is approved for an SVO grant before SBA issues a loan number for this loan, the Applicant is ineligible for the loan and acceptance of any loan proceeds will be considered an unauthorized use.
- RO The President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act.
- RO The Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f).
- RO I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.



**Paycheck Protection Program
Borrower Application Form for Schedule C Filers Using Gross Income
Revised March 18, 2021**

RO I acknowledge that the Lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge, and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

[Redacted Signature]

Signature of Authorized Representative of Applicant

[Redacted Name] Owensby

Print Name

3/24/2021

Date

Owner

Title



Paycheck Protection Program
Borrower Application Form for Schedule C Filers Using Gross Income
Revised March 18, 2021

Purpose of this form:

This form is to be completed by the authorized representative of the Applicant and **submitted to your SBA Participating Lender**. Submission of the requested information is required to make a determination regarding eligibility for financial assistance. Failure to submit the information would affect that determination.

An Applicant that files an IRS Form 1040, Schedule C, and elects to calculate the PPP loan amount using gross income must use this form. An Applicant that files an IRS Form 1040, Schedule C, and elects to calculate the PPP loan amount using net profit must use SBA Form 2483. An Applicant that files an IRS Form 1040, Schedule F, and calculates the PPP loan amount using gross income must use SBA Form 2483.

Instructions for completing this form:

For purposes of reporting Year of Establishment, applicants may enter “NA”.

For purposes of reporting NAICS Code, applicants must match the business activity code provided on their IRS income tax filings, if applicable.

For purposes of reporting Number of Employees, sole proprietors, self-employed individuals, and independent contractors should include themselves as employees (i.e., the minimum number in the box Number of Employees is one). Applicants may use their average employment over the time period used to calculate their aggregate payroll costs to determine their number of employees. Alternatively, Applicants may elect to use the average number of employees per pay period in the 12 completed calendar months prior to the date of the loan application.

For purposes of calculating Average Monthly Payroll for Employees (box C), Applicants must use the average monthly payroll for 2019 or 2020 for employees (not including the owner), excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. The payroll year used must be the same as the tax year used for the gross income calculation (box A in either table). For seasonal businesses, the Applicant may elect to instead use average total monthly payroll for any twelve-week period selected by the Applicant between February 15, 2019 and February 15, 2020, excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For new businesses, average monthly payroll may be calculated using the time period from January 1, 2020 to February 29, 2020, excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee.

If Applicant is refinancing an Economic Injury Disaster Loan (EIDL): Add the outstanding amount of an EIDL made between January 31, 2020 and April 3, 2020 to Loan Request as indicated on the form. Do not add the amount of any EIDL Advance.

With respect to Purpose of the Loan, payroll costs consist of compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave (except those paid leave amounts for which a credit is allowed under FFCRA Sections 7001 and 7003); allowance for separation or dismissal; payment for the provision of employee benefits (including insurance premiums) consisting of group health care coverage, group life, disability, vision, or dental insurance, and retirement benefits; payment of state and local taxes assessed on compensation of employees; and wages, commissions, income, or net earnings from self-employment or similar compensation. This includes proprietor expenses, which means businesses expenses plus owner compensation.

If the Applicant is a qualified joint venture for federal income tax purposes ((1) the only members of the joint venture are a married couple who file a joint return and each file Schedule C, (2) both spouses materially participate in the trade or business, and (3) both spouses elect not to be treated as a partnership), only one spouse may submit this form on behalf of the qualified joint venture. For purposes of reporting Number of Employees, each spouse should be counted. For purposes of determining which table to use to calculate Loan Request Amount, if the Applicant has no employees other than the married couple, complete the table labeled “If you do not have any employees other than yourself, complete this table.” For purposes of calculating gross income, enter the sum of gross income (Schedule C, line 7) from both spouses. For purposes of calculating the Loan Request Amount, the amount entered in box B in either table is capped at \$8,333.33.

For a sole proprietorship, the sole proprietor is considered the owner of the Applicant. For a limited liability company that has only one member and that is treated as a disregarded entity for federal income tax purposes and files Schedule C, the member is considered a sole proprietor and the owner of the Applicant. If the Applicant is treated as a qualified joint venture for federal income tax purposes (the only members of the joint venture are a married couple who file a joint return and each file a Schedule C), both spouses are considered sole proprietors and owners of the Applicant.

For purposes of reporting (optional) demographic information:

1. **Purpose.** Veteran/gender/race/ethnicity data is collected for program reporting purposes only.
2. **Description.** This form requests information about each of the Applicant’s Principals. Add additional sheets if necessary.
3. **Definition of Principal.** The term “Principal” means:
 - The self-employed individual, independent contractor, or sole proprietor.
 - Any individual hired by the Applicant to manage the day-to-day operations of the Applicant (“key employee”).
4. **Principal Name.** Insert the full name of the Principal.
5. **Principal Position.** Identify the Principal’s position: self-employed individual, independent contractor, sole proprietor, or key employee.

Paperwork Reduction Act – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 8 minutes. Comments about this time or the information requested should be sent to: Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**



Paycheck Protection Program
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Privacy Act (5 U.S.C. 552a) – Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. (But see Debt Collection Notice regarding taxpayer identification number below.) Disclosures of name and other personal identifiers are required to provide SBA with sufficient information to make a character determination. When evaluating character, SBA considers the person’s integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 U.S.C. Section 636(a)(1)(B) of the Small Business Act.

Disclosure of Information – Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act. The Privacy Act authorizes SBA to make certain “routine uses” of information protected by that Act. One such routine use is the disclosure of information maintained in SBA’s system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies’ function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses. In addition, the CARES Act, requires SBA to register every loan made under the Paycheck Protection Program using the Taxpayer Identification Number (TIN) assigned to the borrower.

Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles) – SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice, or (6) take other action permitted in the loan instruments.

Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) – The Right to Financial Privacy Act of 1978, grants SBA access rights to financial records held by financial institutions that are or have been doing business with you or your business including any financial institutions participating in a loan or loan guaranty. SBA is only required provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records. SBA’s access rights continue for the term of any approved loan guaranty agreement. SBA is also authorized to transfer to another Government authority any financial records concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.

Freedom of Information Act (5 U.S.C. 552) – This law provides, with some exceptions, that SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that is generally released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers, the amount of the loan, and the type of the loan. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

Occupational Safety and Health Act (15 U.S.C. 651 et seq.) – The Occupational Safety and Health Administration (OSHA) can require businesses to modify facilities and procedures to protect employees. Businesses that do not comply may be fined and required to abate the hazards in their workplaces. They may also be ordered to cease operations posing an imminent danger of death or serious injury until employees can be protected. Signing this form is certification that the applicant, to the best of its knowledge, is in compliance with the applicable OSHA requirements, and will remain in compliance during the life of the loan.

Civil Rights (13 C.F.R. 112, 113, 117) – All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. All borrowers must display the "Equal Employment Opportunity Poster" prescribed by SBA.

Equal Credit Opportunity Act (15 U.S.C. 1691) – Creditors are prohibited from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant’s income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

Debarment and Suspension Executive Order 12549 (2 C.F.R. Part 180 and Part 2700) – By submitting this loan application, you certify that neither the Applicant or any owner of the Applicant have within the past three years been: (a) debarred, suspended, declared ineligible or voluntarily excluded from participation in a transaction by any Federal Agency; (b) formally proposed for debarment, with a final determination still pending; (c) indicted, convicted, or had a civil judgment rendered against you for any of the offenses listed in the regulations or (d) delinquent on any amounts owed to the U.S. Government or its instrumentalities as of the date of execution of this certification.



Paycheck Protection Program
Lender's Application - Paycheck Protection Program Loan Guaranty
Revised March 18, 2021

OMB Control No.: 3245-0407
 Expiration Date: 9/30/2021

The purpose of this form is to collect identifying information about the Lender, the Applicant, the loan guaranty request, sources and uses of funds, the proposed structure (which includes pricing and the loan term), and compliance with SBA Loan Program Requirements. This form reflects the data fields that will be collected electronically from lenders; no paper version of this form is required or permitted to be submitted. As used in this application, "Paycheck Protection Program Rules" refers to the rules in effect at the time you submit this application that have been issued by the Small Business Administration (SBA) and the Department of the Treasury implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and Title V of the American Rescue Plan Act of 2021.

Instructions for Lenders

All Paycheck Protection Program (PPP) loans are processed by all Lenders under delegated authority from SBA. This application must be submitted and signed electronically in accordance with program requirements, and the information requested is to be retained in the Lender's loan file.

A. Lender Information			
Lender Name:	<u>Capital Plus Financial, LLC</u>	Lender Location ID:	<u>529472</u>
Address:	<u>2247 Central Drive</u>	City: <u>Bedford</u>	St: <u>TX</u> Zip: <u>76021</u>
Lender Contact:	<u>Farzana Giga</u>	Ph: <u>[REDACTED]</u>	Cell or Ext: () -
Contact Email:	<u>[REDACTED]@capitalplusfin.com</u>	Title:	<u>CFO</u>

B. Applicant Information <i>(All Applicant Ownership information provided by the Applicant on SBA Form 2483 or 2483-C must also be submitted electronically)</i>			
Check One: <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input checked="" type="checkbox"/> Independent contractor <input type="checkbox"/> Self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> Single member LLC (self-employed individual) <input type="checkbox"/> Qualified joint venture (self-employed individual) <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Other 501(c) organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal business <input type="checkbox"/> Other			
Applicant	Applicant Legal Name:	<u>[REDACTED] Owensby</u>	NAICS Code: <u>541613</u>
	DBA or Tradename (if applicable):		Business Tax ID: <u>[REDACTED]</u>
	Year of Establishment (if applicable):	<u>2010</u>	Number of Employees: <u>1</u>
	Applicant Size Standard (including affiliates, if applicable) (check one):	<input checked="" type="checkbox"/> No more than 500 employees (or 300 employees, if applicable) unless "per location" exception applies <input type="checkbox"/> SBA industry size standards <input type="checkbox"/> SBA alternative size standard	
Applicant Street Address (no P.O. Box Addresses allowed):	<u>[REDACTED]</u>	City, State, Zip:	<u>[REDACTED]</u>
Applicant Primary Contact:	<u>[REDACTED] Owensby</u>	Phone:	<u>[REDACTED]</u>
Complete this line only if Applicant submitted SBA Form 2483-C:	Total Gross Income (from IRS Form 1040, Schedule C, Line 7)	Tax Year Used for Gross Income	
	\$	<input type="checkbox"/> 2019 <input type="checkbox"/> 2020	

C. Loan Structure Information							
Amount of Loan Request:	<u>\$20832</u>	Guarantee %:	<u>100%</u>	Loan Term in # of Months:	<u>60</u>	Payment:	<u>Deferred</u>
Applicant must provide documentation to Lender supporting how the loan amount was calculated in accordance with the Paycheck Protection Program Rules and Lender must retain all such supporting documentation in Lender's file.							
Interest Rate:	<u>1% (calculated on a non-compounding, non-adjustable basis)</u>						

D. Loan Amount Information	
Average Monthly Payroll multiplied by 2.5 <i>If Applicant submitted SBA Form 2483-C, use the amount entered in B in either table, plus the amount entered in C for Applicants with employees (if applicable), multiplied by 2.5</i>	\$ 20832
Refinance of Eligible Economic Injury Disaster Loan (EIDL) (Do Not Include Any EIDL Advance (see Paycheck Protection Program Rules))	\$
Total	\$ 20832

E. General Eligibility *(If the answer is no to any, the loan cannot be approved)*

- The Applicant has certified to the Lender that (1) it was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC; (2) current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant; (3) the funds will be used to retain workers and maintain payroll, or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures; and (4) the Applicant has not and will not receive another loan under the Paycheck Protection Program, section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) (this does not include Paycheck Protection Program second draw loans, section 7(a)(37) of the Small Business Act (15 U.S.C. 636(a)(37))). Yes No
- The Applicant has certified to the Lender that the Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) if not a housing cooperative, eligible 501(c)(6) organization, other eligible 501(c) organization, or eligible destination marketing organization, employs no more than the greater of 500 employees or, if applicable, meets the size standard in number of employees established by the SBA in 13 C.F.R. 121.201 for the Applicant's industry; (3) if a housing cooperative, employs no more than 300 employees; (4) if an eligible 501(c)(6) organization, other eligible 501(c) organization, or eligible destination marketing organization, employs no more than 300 employees per physical location; (5) if NAICS 72 or a 501(c)(3) organization, employs no more than 500 employees per physical location; (6) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business, a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, or an Internet-only news or periodical publisher assigned NAICS code 519130 and engaged in the collection and distribution of local or regional and national news and information, employs no more than 500 employees (or, if applicable, the size standard in number of employees established by SBA in 13 C.F.R. 121.201 for the Applicant's industry) per location; or (7) is a small business under the applicable revenue-based size standard established by SBA in 13 C.F.R. 121.201 for the Applicant's industry or under the SBA alternative size standard. Yes No
- The Applicant has certified to the Lender that (1) it has not been approved for a Shuttered Venue Operator (SVO) grant from SBA as of the date of the loan application, and acknowledged that if the Applicant is approved for an SVO grant before SBA issues a loan number for the loan, the Applicant is ineligible for the loan and acceptance of any loan proceeds will be considered an unauthorized use; (2) the President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act; and (3) the Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f). Yes No

F. Applicant Certification of Eligibility *(If not true, the loan cannot be approved)*

- The Applicant has certified to the Lender that the Applicant is eligible under the Paycheck Protection Program Rules. True

G. Franchise/License/Jobber/Membership or Similar Agreement *(If a franchise and not listed in the SBA Franchise Directory, the loan cannot be approved)*

- The Applicant has represented to the Lender that it is a franchise. Yes No
- The Applicant has represented that the franchise is listed in SBA's Franchise Directory. Yes No
- If Yes, enter the SBA Franchise Identifier Code here: _____

H. Character Determination *(If no, the loan cannot be approved)*

- The Applicant has represented to the Lender that neither the Applicant (if an individual) nor any individual owning 20% or more of the equity of the Applicant is presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction. Yes No
- The Applicant has represented to the Lender that neither the Applicant (if an individual) nor any owner of the Applicant has within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance: 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment). Yes No

I. Prior Loss to Government/Delinquent Federal Debt *(If no, the loan cannot be approved)*

- The Applicant has certified to the Lender that neither the Applicant nor any owner is presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy. Yes No
- The Applicant has certified to the Lender that neither the Applicant nor any of its owners, nor any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency (other than a Federal student loan made or guaranteed through a program administered by the Department of Education) that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government. Yes No

J. U.S. Employees *(If no, the loan cannot be approved)*

- The Applicant has certified that the principal place of residence for all employees included in the Applicant's payroll calculation is the United States. Yes No

K. Fees (If yes, Lender may not pass any agent fee through to the Applicant or offset or pay the fee with the proceeds of this loan)

- Has the Lender directly contracted with a third party to assist in the preparation of the loan application or application materials, or to perform other services in connection with this loan? Yes No

SBA Certification to Financial Institution under Right to Financial Privacy Act (12 U.S.C. 3401)

By signing SBA Form 2483 or 2483-C, Borrower Application Form in connection with this application for an SBA-guaranteed loan, the Applicant certifies that it has read the Statements Required by Law and Executive Orders, which is attached to SBA Form 2483 or 2483-C. As such, SBA certifies that it has complied with the applicable provisions of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) and, pursuant to that Act, no further certification is required for subsequent access by SBA to financial records of the Applicant/Borrower during the term of the loan guaranty.

Lender Certification

On behalf of the Lender, I certify that:

- The Lender has complied with the applicable lender obligations set forth in paragraphs C.3.a.-c. of the interim final rule "Paycheck Protection Program as Amended by Economic Aid Act" (issued on January 6, 2021), and any amendments thereto.
- The Lender has obtained and reviewed the required application (including documents demonstrating qualifying payroll amounts) of the Applicant and will retain copies of such documents in the Applicant's loan file.
- The Lender will register in sam.gov no later than thirty (30) days from the date of the first disbursement of a PPP loan made by the Lender after January 7, 2021 and will provide SBA with the Lender's unique entity identifier.

I certify that:

- Neither the undersigned Authorized Lender Official nor such individual's spouse or children, has a financial interest in the Applicant.

Authorized Lender Official: _____

Date: 3/24/2021

Type or Print Name: Farzana Giga

Title: CFO

NOTE: According to the Paperwork Reduction Act, you are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated burden for completing this form, including time for reviewing instructions, gathering data needed, and completing and reviewing the form is 25 minutes per response. Comments or questions on the burden estimates should be sent to U.S. Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Rm. 10202, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**

**SCHEDULE C
(Form 1040)**

**Profit or Loss From Business
(Sole Proprietorship)**

OMB No. 1545-0074

2020
Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

▶ Go to www.irs.gov/ScheduleC for instructions and the latest information.

▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor Owensby		Social security number (SSN) [REDACTED]
A Principal business or profession, including product or service (see instructions) Marketing Consulting Services (541613)		B Enter code from instructions ▶ 5 4 1 6 1 3
C Business name. If no separate business name, leave blank. Owensby		D Employer ID number (EIN) (see instr.) [REDACTED]
E Business address (including suite or room no.) ▶ [REDACTED] City, town or post office, state, and ZIP code Cimarron, New Mexico 87714		
F Accounting method: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶		
G Did you "materially participate" in the operation of this business during 2020? If "No," see instructions for limit on losses		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
H If you started or acquired this business during 2020, check here		<input type="checkbox"/>
I Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions		<input type="checkbox"/> Yes <input type="checkbox"/> No
J If "Yes," did you or will you file required Form(s) 1099?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked ▶ <input type="checkbox"/>	1	126130
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	126130
4 Cost of goods sold (from line 42)	4	
5 Gross profit. Subtract line 4 from line 3	5	
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6 ▶	7	126130

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8	500		18 Office expense (see instructions)	18	6618
9 Car and truck expenses (see instructions)	9			19 Pension and profit-sharing plans	19	
10 Commissions and fees	10			20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11			a Vehicles, machinery, and equipment	20a	
12 Depletion	12			b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13			21 Repairs and maintenance	21	
14 Employee benefit programs (other than on line 19)	14			22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15			23 Taxes and licenses	23	
16 Interest (see instructions):				24 Travel and meals:		
a Mortgage (paid to banks, etc.)	16a			a Travel	24a	
b Other	16b			b Deductible meals (see instructions)	24b	3150
17 Legal and professional services	17			25 Utilities	25	583
28 Total expenses before expenses for business use of home. Add lines 8 through 27a ▶	28			26 Wages (less employment credits)	26	
29 Tentative profit or (loss). Subtract line 28 from line 7	29			27a Other expenses (from line 48)	27a	
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions. Simplified method filers only: Enter the total square footage of (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30			27b Reserved for future use	27b	
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 3 , and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31			28 Total expenses before expenses for business use of home. Add lines 8 through 27a ▶	28	10851
32 If you have a loss, check the box that describes your investment in this activity. See instructions. • If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 3 , and on Schedule SE, line 2 . (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3 . • If you checked 32b, you must attach Form 6198 . Your loss may be limited.				29 Tentative profit or (loss). Subtract line 28 from line 7	29	115279
				31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 3 , and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31	115279
				32 If you have a loss, check the box that describes your investment in this activity. See instructions. • If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 3 , and on Schedule SE, line 2 . (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3 . • If you checked 32b, you must attach Form 6198 . Your loss may be limited.		

32a All investment is at risk.
32b Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11334P

Schedule C (Form 1040) 2020



**Paycheck Protection Program
Borrower Application Form for Schedule C Filers Using Gross Income
Revised March 18, 2021**

OMB Control No.: 3245-0407
Expiration Date: 9/30/2021

AN APPLICANT MAY USE THIS FORM ONLY IF THE APPLICANT FILES AN IRS FORM 1040, SCHEDULE C, AND USES GROSS INCOME TO CALCULATE PPP LOAN AMOUNT

Check One: <input type="checkbox"/> Sole proprietor <input checked="" type="checkbox"/> Independent contractor <input type="checkbox"/> Self-employed individual <input type="checkbox"/> Single member LLC (self-employed individual) <input type="checkbox"/> Qualified joint venture (self-employed individual)	DBA or Tradename (if applicable) [REDACTED] Spencer	Year of Establishment (if applicable) 2020
	Applicant (including affiliates, if applicable) Meets Size Standard (check one): <input checked="" type="checkbox"/> No more than 500 employees (or 300 employees, if applicable) unless "per location" exception applies <input type="checkbox"/> SBA industry size standards <input type="checkbox"/> SBA alternative size standard	
Business Legal Name [REDACTED] Spencer	NAICS Code 541613	
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed) [REDACTED], Arizona 85213	Business TIN (EIN, SSN, ITIN) [REDACTED]	Business Phone [REDACTED]
	Primary Contact [REDACTED] Spencer	Email Address [REDACTED]@yahoo.com
Total Amount of Gross Income (from IRS Form 1040, Schedule C, Line 7) \$55421	Tax Year Used for Gross Income <input checked="" type="checkbox"/> 2019 <input type="checkbox"/> 2020	Number of Employees (including owners): 1

If you do not have any employees (other than owners), complete this table:

A. Your gross income amount from 2019 or 2020 IRS Form 1040, Schedule C, line 7: \$55421	B. Divide A by 12 (if more than \$8,333.33, enter \$8,333.33): \$4618.42	x 2.5 + EIDL (Do Not Include Any EIDL Advance) equals Loan Request Amount: \$11545
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If you have employees (other than owners), complete this table:

A. Your 2019 or 2020 IRS Form 1040, Schedule C, line 7 amount, minus the sum of line 14, line 19, and line 26: \$	B. Divide A by 12 (if more than \$8,333.33, enter \$8,333.33): \$	C. Average Monthly Payroll for Employees (not including owners) \$
Add B and C: \$	x 2.5 + EIDL (Do Not Include Any EIDL Advance) equals Loan Request Amount: \$	

Purpose of the loan (select all that apply):	<input checked="" type="checkbox"/> Payroll Costs (including proprietor expenses, equal to business expenses plus owner compensation)	<input checked="" type="checkbox"/> Rent / Mortgage Interest	<input checked="" type="checkbox"/> Utilities	<input type="checkbox"/> Covered Operations Expenditures
	<input type="checkbox"/> Covered Property Damage	<input type="checkbox"/> Covered Supplier Costs	<input type="checkbox"/> Covered Worker Protection Expenditures	<input checked="" type="checkbox"/> Other (explain): _____

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN, ITIN)	Address
[REDACTED] Spencer	Owner	100	[REDACTED]	[REDACTED], Mesa, AZ, 85213



**Paycheck Protection Program
Borrower Application Form for Schedule C Filers Using Gross Income
Revised March 18, 2021**

PPP Applicant Demographic Information (Optional)

Veteran/gender/race/ethnicity data is collected for program reporting purposes only. Disclosure is voluntary and will have no bearing on the loan application decision.

Principal Name		Principal Position	
[REDACTED] Spencer		Owner	
Select Response Below:			
Veteran	<input type="checkbox"/> Non-Veteran; <input type="checkbox"/> Veteran; <input type="checkbox"/> Service-Disabled Veteran; <input type="checkbox"/> Spouse of Veteran; <input checked="" type="checkbox"/> Not Disclosed		
Gender	<input checked="" type="checkbox"/> Male; <input type="checkbox"/> Female; <input type="checkbox"/> Not Disclosed		
Race (more than 1 may be selected)	<input type="checkbox"/> American Indian or Alaska Native; <input type="checkbox"/> Asian; <input type="checkbox"/> Black or African-American; <input type="checkbox"/> Native Hawaiian or Pacific Islander; <input type="checkbox"/> White; <input checked="" type="checkbox"/> Not Disclosed		
Ethnicity	<input type="checkbox"/> Hispanic or Latino; <input type="checkbox"/> Not Hispanic or Latino; <input checked="" type="checkbox"/> Not Disclosed		

If questions (1), (2), (5), or (6) are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency (other than a Federal student loan made or guaranteed through a program administered by the Department of Education) that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management (including a management agreement) with any other business? If yes, list all such businesses (including their TINs if available) and describe the relationship on a separate sheet identified as addendum A.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Did the Applicant receive an SBA Economic Injury Disaster Loan between January 31, 2020 and April 3, 2020? If yes, provide details on a separate sheet identified as addendum B.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. Is the Applicant (if an individual) or any owner of the Applicant presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction? Initial here to confirm your response to question 5 → _____ JS _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 6 → _____ JS _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7. Is the United States the principal place of residence for the owner(s) of the Applicant and all employees included in the Applicant's payroll calculation above?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Is the Applicant a franchise?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9. Is the franchise listed in SBA's Franchise Directory? If yes, enter SBA Franchise Identifier Code here: _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>



**Paycheck Protection Program
Borrower Application Form for Schedule C Filers Using Gross Income
Revised March 18, 2021**

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) and the Department of the Treasury (Treasury) implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act), and Title V of the American Rescue Plan Act of 2021 (the Paycheck Protection Program Rules).
- The Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) employs no more than the greater of 500 employees or, if applicable, the size standard in number of employees established by SBA in 13 C.F.R. 121.201 for the Applicant’s industry; (3) if NAICS 72, employs no more than 500 employees per physical location; (4) if an Internet-only news or periodical publisher assigned NAICS code 519130 and engaged in the collection and distribution of local or regional and national news and information, employs no more than 500 employees (or the size standard in number of employees established by SBA in 13 C.F.R. 121.201 for the Applicant’s industry) per physical location; or (5) is a small business under the applicable revenue-based size standard established by SBA in 13 C.F.R. 121.201 for the Applicant’s industry or under the SBA alternative size standard.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All loan proceeds will be used only for business-related purposes (including payroll and other proprietor expenses, which is business expenses plus owner compensation, as defined in the interim final rule posted on March 3, 2021) as specified in the loan application and consistent with the Paycheck Protection Program Rules including the prohibition on using loan proceeds for lobbying activities and expenditures. If the Applicant is an Internet-only news or periodical publisher that became eligible for a loan under Section 5001 of the American Rescue Plan Act of 2021, the proceeds of the loan will be used to support expenses at the component of the business or organization that supports local or regional news.
- I understand that SBA encourages the purchase, to the extent feasible, of American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.
- Any EIDL loan received by the Applicant (Section 7(b)(2) of the Small Business Act) between January 31, 2020 and April 3, 2020 was for a purpose other than paying payroll costs and other allowable uses for loans under the Paycheck Protection Program Rules.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one (the terms “payroll” and “payroll costs” as used in the below certifications include proprietor expenses (business expenses plus owner compensation)):

- JS The Applicant was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees, or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.
- JS Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- JS The funds will be used to retain workers and maintain payroll; or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures as specified under the Paycheck Protection Program Rules; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.
- JS I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, covered utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures, and not more than 40% of the forgiven amount may be for non-payroll costs. If required, the Applicant will provide to the Lender and/or SBA documentation verifying the number of full-time equivalent employees on the Applicant’s payroll as well as the dollar amounts of eligible expenses for the covered period following this loan.
- JS The Applicant has not and will not receive another loan under the Paycheck Protection Program, section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) (this does not include Paycheck Protection Program second draw loans, section 7(a)(37) of the Small Business Act (15 U.S.C. 636(a)(37)).
- JS The Applicant has not been approved for a Shuttered Venue Operator (SVO) grant from SBA as of the date of this application, and the Applicant acknowledges that if the Applicant is approved for an SVO grant before SBA issues a loan number for this loan, the Applicant is ineligible for the loan and acceptance of any loan proceeds will be considered an unauthorized use.
- JS The President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act.
- JS The Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f).
- JS I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.



**Paycheck Protection Program
Borrower Application Form for Schedule C Filers Using Gross Income
Revised March 18, 2021**

JS I acknowledge that the Lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge, and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

[Redacted Signature]

Signature of Authorized Representative of Applicant

[Redacted Name] Spencer

Print Name

3/9/2021

Date

Owner

Title



Paycheck Protection Program
Borrower Application Form for Schedule C Filers Using Gross Income
Revised March 18, 2021

Purpose of this form:

This form is to be completed by the authorized representative of the Applicant and **submitted to your SBA Participating Lender**. Submission of the requested information is required to make a determination regarding eligibility for financial assistance. Failure to submit the information would affect that determination.

An Applicant that files an IRS Form 1040, Schedule C, and elects to calculate the PPP loan amount using gross income must use this form. An Applicant that files an IRS Form 1040, Schedule C, and elects to calculate the PPP loan amount using net profit must use SBA Form 2483. An Applicant that files an IRS Form 1040, Schedule F, and calculates the PPP loan amount using gross income must use SBA Form 2483.

Instructions for completing this form:

For purposes of reporting Year of Establishment, applicants may enter “NA”.

For purposes of reporting NAICS Code, applicants must match the business activity code provided on their IRS income tax filings, if applicable.

For purposes of reporting Number of Employees, sole proprietors, self-employed individuals, and independent contractors should include themselves as employees (i.e., the minimum number in the box Number of Employees is one). Applicants may use their average employment over the time period used to calculate their aggregate payroll costs to determine their number of employees. Alternatively, Applicants may elect to use the average number of employees per pay period in the 12 completed calendar months prior to the date of the loan application.

For purposes of calculating Average Monthly Payroll for Employees (box C), Applicants must use the average monthly payroll for 2019 or 2020 for employees (not including the owner), excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. The payroll year used must be the same as the tax year used for the gross income calculation (box A in either table). For seasonal businesses, the Applicant may elect to instead use average total monthly payroll for any twelve-week period selected by the Applicant between February 15, 2019 and February 15, 2020, excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For new businesses, average monthly payroll may be calculated using the time period from January 1, 2020 to February 29, 2020, excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee.

If Applicant is refinancing an Economic Injury Disaster Loan (EIDL): Add the outstanding amount of an EIDL made between January 31, 2020 and April 3, 2020 to Loan Request as indicated on the form. Do not add the amount of any EIDL Advance.

With respect to Purpose of the Loan, payroll costs consist of compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave (except those paid leave amounts for which a credit is allowed under FFCRA Sections 7001 and 7003); allowance for separation or dismissal; payment for the provision of employee benefits (including insurance premiums) consisting of group health care coverage, group life, disability, vision, or dental insurance, and retirement benefits; payment of state and local taxes assessed on compensation of employees; and wages, commissions, income, or net earnings from self-employment or similar compensation. This includes proprietor expenses, which means businesses expenses plus owner compensation.

If the Applicant is a qualified joint venture for federal income tax purposes ((1) the only members of the joint venture are a married couple who file a joint return and each file Schedule C, (2) both spouses materially participate in the trade or business, and (3) both spouses elect not to be treated as a partnership), only one spouse may submit this form on behalf of the qualified joint venture. For purposes of reporting Number of Employees, each spouse should be counted. For purposes of determining which table to use to calculate Loan Request Amount, if the Applicant has no employees other than the married couple, complete the table labeled “If you do not have any employees other than yourself, complete this table.” For purposes of calculating gross income, enter the sum of gross income (Schedule C, line 7) from both spouses. For purposes of calculating the Loan Request Amount, the amount entered in box B in either table is capped at \$8,333.33.

For a sole proprietorship, the sole proprietor is considered the owner of the Applicant. For a limited liability company that has only one member and that is treated as a disregarded entity for federal income tax purposes and files Schedule C, the member is considered a sole proprietor and the owner of the Applicant. If the Applicant is treated as a qualified joint venture for federal income tax purposes (the only members of the joint venture are a married couple who file a joint return and each file a Schedule C), both spouses are considered sole proprietors and owners of the Applicant.

For purposes of reporting (optional) demographic information:

1. **Purpose.** Veteran/gender/race/ethnicity data is collected for program reporting purposes only.
2. **Description.** This form requests information about each of the Applicant’s Principals. Add additional sheets if necessary.
3. **Definition of Principal.** The term “Principal” means:
 - The self-employed individual, independent contractor, or sole proprietor.
 - Any individual hired by the Applicant to manage the day-to-day operations of the Applicant (“key employee”).
4. **Principal Name.** Insert the full name of the Principal.
5. **Principal Position.** Identify the Principal’s position: self-employed individual, independent contractor, sole proprietor, or key employee.

Paperwork Reduction Act – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 8 minutes. Comments about this time or the information requested should be sent to: Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**



Paycheck Protection Program
Borrower Application Form for Schedule C Filers Using Gross Income
Revised March 18, 2021

Privacy Act (5 U.S.C. 552a) – Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. (But see Debt Collection Notice regarding taxpayer identification number below.) Disclosures of name and other personal identifiers are required to provide SBA with sufficient information to make a character determination. When evaluating character, SBA considers the person’s integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 U.S.C. Section 636(a)(1)(B) of the Small Business Act.

Disclosure of Information – Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act. The Privacy Act authorizes SBA to make certain “routine uses” of information protected by that Act. One such routine use is the disclosure of information maintained in SBA’s system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies’ function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses. In addition, the CARES Act, requires SBA to register every loan made under the Paycheck Protection Program using the Taxpayer Identification Number (TIN) assigned to the borrower.

Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles) – SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice, or (6) take other action permitted in the loan instruments.

Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) – The Right to Financial Privacy Act of 1978, grants SBA access rights to financial records held by financial institutions that are or have been doing business with you or your business including any financial institutions participating in a loan or loan guaranty. SBA is only required provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records. SBA’s access rights continue for the term of any approved loan guaranty agreement. SBA is also authorized to transfer to another Government authority any financial records concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.

Freedom of Information Act (5 U.S.C. 552) – This law provides, with some exceptions, that SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that is generally released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers, the amount of the loan, and the type of the loan. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

Occupational Safety and Health Act (15 U.S.C. 651 et seq.) – The Occupational Safety and Health Administration (OSHA) can require businesses to modify facilities and procedures to protect employees. Businesses that do not comply may be fined and required to abate the hazards in their workplaces. They may also be ordered to cease operations posing an imminent danger of death or serious injury until employees can be protected. Signing this form is certification that the applicant, to the best of its knowledge, is in compliance with the applicable OSHA requirements, and will remain in compliance during the life of the loan.

Civil Rights (13 C.F.R. 112, 113, 117) – All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. All borrowers must display the "Equal Employment Opportunity Poster" prescribed by SBA.

Equal Credit Opportunity Act (15 U.S.C. 1691) – Creditors are prohibited from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant’s income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

Debarment and Suspension Executive Order 12549 (2 C.F.R. Part 180 and Part 2700) – By submitting this loan application, you certify that neither the Applicant or any owner of the Applicant have within the past three years been: (a) debarred, suspended, declared ineligible or voluntarily excluded from participation in a transaction by any Federal Agency; (b) formally proposed for debarment, with a final determination still pending; (c) indicted, convicted, or had a civil judgment rendered against you for any of the offenses listed in the regulations or (d) delinquent on any amounts owed to the U.S. Government or its instrumentalities as of the date of execution of this certification.



Paycheck Protection Program
Lender's Application - Paycheck Protection Program Loan Guaranty
Revised March 18, 2021

OMB Control No.: 3245-0407
 Expiration Date: 9/30/2021

The purpose of this form is to collect identifying information about the Lender, the Applicant, the loan guaranty request, sources and uses of funds, the proposed structure (which includes pricing and the loan term), and compliance with SBA Loan Program Requirements. This form reflects the data fields that will be collected electronically from lenders; no paper version of this form is required or permitted to be submitted. As used in this application, "Paycheck Protection Program Rules" refers to the rules in effect at the time you submit this application that have been issued by the Small Business Administration (SBA) and the Department of the Treasury implementing the Paycheck Protection Program under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and Title V of the American Rescue Plan Act of 2021.

Instructions for Lenders

All Paycheck Protection Program (PPP) loans are processed by all Lenders under delegated authority from SBA. This application must be submitted and signed electronically in accordance with program requirements, and the information requested is to be retained in the Lender's loan file.

A. Lender Information			
Lender Name:	Capital Plus Financial, LLC	Lender Location ID:	529472
Address:	2247 Central Drive	City:	Bedford TX
		St:	TX
		Zip:	76021
Lender Contact:	Farzana Giga	Ph:	[REDACTED]
		Cell or Ext:	() -
Contact Email:	[REDACTED]@capitalplusfin.com	Title:	CFO

B. Applicant Information <i>(All Applicant Ownership information provided by the Applicant on SBA Form 2483 or 2483-C must also be submitted electronically)</i>				
Check One: <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input checked="" type="checkbox"/> Independent contractor <input type="checkbox"/> Self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> Single member LLC (self-employed individual) <input type="checkbox"/> Qualified joint venture (self-employed individual) <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Other 501(c) organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal business <input type="checkbox"/> Other				
Applicant	Applicant Legal Name:	[REDACTED] Spencer	NAICS Code:	541613
	DBA or Tradename (if applicable):	[REDACTED] Spencer	Business Tax ID:	[REDACTED]
	Year of Establishment (if applicable):	2020	Number of Employees:	1
Applicant Size Standard (including affiliates, if applicable) (check one):		<input checked="" type="checkbox"/> No more than 500 employees (or 300 employees, if applicable) unless "per location" exception applies <input type="checkbox"/> SBA industry size standards <input type="checkbox"/> SBA alternative size standard		
Applicant Street Address (no P.O. Box Addresses allowed):		[REDACTED]		
Applicant Primary Contact:		[REDACTED] Spencer	Phone:	[REDACTED]
Complete this line only if Applicant submitted SBA Form 2483-C:		Total Gross Income (from IRS Form 1040, Schedule C, Line 7)	Tax Year Used for Gross Income	
		\$	<input type="checkbox"/> 2019 <input type="checkbox"/> 2020	

C. Loan Structure Information							
Amount of Loan Request:	\$ 11545	Guarantee %:	100%	Loan Term in # of Months:	60	Payment:	Deferred
Applicant must provide documentation to Lender supporting how the loan amount was calculated in accordance with the Paycheck Protection Program Rules and Lender must retain all such supporting documentation in Lender's file.							
Interest Rate:	1% (calculated on a non-compounding, non-adjustable basis)						

D. Loan Amount Information	
Average Monthly Payroll multiplied by 2.5 <i>If Applicant submitted SBA Form 2483-C, use the amount entered in B in either table, plus the amount entered in C for Applicants with employees (if applicable), multiplied by 2.5</i>	\$ 11545
Refinance of Eligible Economic Injury Disaster Loan (EIDL) (Do Not Include Any EIDL Advance (see Paycheck Protection Program Rules))	\$
Total	\$ 11545

E. General Eligibility *(If the answer is no to any, the loan cannot be approved)*

- The Applicant has certified to the Lender that (1) it was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC; (2) current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant; (3) the funds will be used to retain workers and maintain payroll, or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures; and (4) the Applicant has not and will not receive another loan under the Paycheck Protection Program, section 7(a)(36) of the Small Business Act (15 U.S.C. 636(a)(36)) (this does not include Paycheck Protection Program second draw loans, section 7(a)(37) of the Small Business Act (15 U.S.C. 636(a)(37))). Yes No
- The Applicant has certified to the Lender that the Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) if not a housing cooperative, eligible 501(c)(6) organization, other eligible 501(c) organization, or eligible destination marketing organization, employs no more than the greater of 500 employees or, if applicable, meets the size standard in number of employees established by the SBA in 13 C.F.R. 121.201 for the Applicant's industry; (3) if a housing cooperative, employs no more than 300 employees; (4) if an eligible 501(c)(6) organization, other eligible 501(c) organization, or eligible destination marketing organization, employs no more than 300 employees per physical location; (5) if NAICS 72 or a 501(c)(3) organization, employs no more than 500 employees per physical location; (6) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business, a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, or an Internet-only news or periodical publisher assigned NAICS code 519130 and engaged in the collection and distribution of local or regional and national news and information, employs no more than 500 employees (or, if applicable, the size standard in number of employees established by SBA in 13 C.F.R. 121.201 for the Applicant's industry) per location; or (7) is a small business under the applicable revenue-based size standard established by SBA in 13 C.F.R. 121.201 for the Applicant's industry or under the SBA alternative size standard. Yes No
- The Applicant has certified to the Lender that (1) it has not been approved for a Shuttered Venue Operator (SVO) grant from SBA as of the date of the loan application, and acknowledged that if the Applicant is approved for an SVO grant before SBA issues a loan number for the loan, the Applicant is ineligible for the loan and acceptance of any loan proceeds will be considered an unauthorized use; (2) the President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act; and (3) the Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f). Yes No

F. Applicant Certification of Eligibility *(If not true, the loan cannot be approved)*

- The Applicant has certified to the Lender that the Applicant is eligible under the Paycheck Protection Program Rules. True

G. Franchise/License/Jobber/Membership or Similar Agreement *(If a franchise and not listed in the SBA Franchise Directory, the loan cannot be approved)*

- The Applicant has represented to the Lender that it is a franchise. Yes No
- The Applicant has represented that the franchise is listed in SBA's Franchise Directory. Yes No
- If Yes, enter the SBA Franchise Identifier Code here: _____

H. Character Determination *(If no, the loan cannot be approved)*

- The Applicant has represented to the Lender that neither the Applicant (if an individual) nor any individual owning 20% or more of the equity of the Applicant is presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction. Yes No
- The Applicant has represented to the Lender that neither the Applicant (if an individual) nor any owner of the Applicant has within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance: 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment). Yes No

I. Prior Loss to Government/Delinquent Federal Debt *(If no, the loan cannot be approved)*

- The Applicant has certified to the Lender that neither the Applicant nor any owner is presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy. Yes No
- The Applicant has certified to the Lender that neither the Applicant nor any of its owners, nor any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency (other than a Federal student loan made or guaranteed through a program administered by the Department of Education) that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government. Yes No

J. U.S. Employees *(If no, the loan cannot be approved)*

- The Applicant has certified that the principal place of residence for all employees included in the Applicant's payroll calculation is the United States. Yes No

K. Fees (If yes, Lender may not pass any agent fee through to the Applicant or offset or pay the fee with the proceeds of this loan)

- Has the Lender directly contracted with a third party to assist in the preparation of the loan application or application materials, or to perform other services in connection with this loan? Yes No

SBA Certification to Financial Institution under Right to Financial Privacy Act (12 U.S.C. 3401)

By signing SBA Form 2483 or 2483-C, Borrower Application Form in connection with this application for an SBA-guaranteed loan, the Applicant certifies that it has read the Statements Required by Law and Executive Orders, which is attached to SBA Form 2483 or 2483-C. As such, SBA certifies that it has complied with the applicable provisions of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) and, pursuant to that Act, no further certification is required for subsequent access by SBA to financial records of the Applicant/Borrower during the term of the loan guaranty.

Lender Certification

On behalf of the Lender, I certify that:

- The Lender has complied with the applicable lender obligations set forth in paragraphs C.3.a.-c. of the interim final rule "Paycheck Protection Program as Amended by Economic Aid Act" (issued on January 6, 2021), and any amendments thereto.
- The Lender has obtained and reviewed the required application (including documents demonstrating qualifying payroll amounts) of the Applicant and will retain copies of such documents in the Applicant's loan file.
- The Lender will register in sam.gov no later than thirty (30) days from the date of the first disbursement of a PPP loan made by the Lender after January 7, 2021 and will provide SBA with the Lender's unique entity identifier.

I certify that:

- Neither the undersigned Authorized Lender Official, nor such individual's spouse or children, has a financial interest in the Applicant.

Authorized Lender Official: _____

Date: 3/9/2021

Type or Print Name: Farzana Giga

Title: CFO

NOTE: According to the Paperwork Reduction Act, you are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated burden for completing this form, including time for reviewing instructions, gathering data needed, and completing and reviewing the form is 25 minutes per response. Comments or questions on the burden estimates should be sent to U.S. Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Rm. 10202, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**

**SCHEDULE C
(Form 1040)**

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2020
Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

▶ Go to www.irs.gov/ScheduleC for instructions and the latest information.

▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor Spencer		Social security number (SSN) [REDACTED]
A Principal business or profession, including product or service (see instructions) Payment Card Processing		B Enter code from instructions ▶ [REDACTED]
C Business name. If no separate business name, leave blank.		D Employer ID number (EIN) (see instr.) [REDACTED]
E Business address (including suite or room no.) ▶ City, town or post office, state, and ZIP code		
F Accounting method: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶		
G Did you "materially participate" in the operation of this business during 2020? If "No," see instructions for limit on losses <input type="checkbox"/> Yes <input type="checkbox"/> No		
H If you started or acquired this business during 2020, check here <input type="checkbox"/>		
I Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions <input type="checkbox"/> Yes <input type="checkbox"/> No		
J If "Yes," did you or will you file required Form(s) 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No		

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked <input type="checkbox"/>	1	55421
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	
4 Cost of goods sold (from line 42)	4	
5 Gross profit. Subtract line 4 from line 3	5	
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6	7	55421

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8		18	Office expense (see instructions)
9 Car and truck expenses (see instructions)	9		19	Pension and profit-sharing plans
10 Commissions and fees	10		20	Rent or lease (see instructions):
11 Contract labor (see instructions)	11		20a	a Vehicles, machinery, and equipment
12 Depletion	12		20b	b Other business property
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		21	21 Repairs and maintenance
14 Employee benefit programs (other than on line 19)	14		22	22 Supplies (not included in Part III)
15 Insurance (other than health)	15		23	23 Taxes and licenses
16 Interest (see instructions):			24	24 Travel and meals:
a Mortgage (paid to banks, etc.)	16a		24a	a Travel
b Other	16b		24b	b Deductible meals (see instructions)
17 Legal and professional services	17		25	25 Utilities
			26	26 Wages (less employment credits)
			27a	27a Other expenses (from line 48)
			27b	b Reserved for future use
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28		28	1497
29 Tentative profit or (loss). Subtract line 28 from line 7	29			
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions. Simplified method filers only: Enter the total square footage of (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30			
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 3 , and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31		31	53924
32 If you have a loss, check the box that describes your investment in this activity. See instructions. • If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 3 , and on Schedule SE, line 2 . (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3 . • If you checked 32b, you must attach Form 6198 . Your loss may be limited.			32a	<input type="checkbox"/> All investment is at risk.
			32b	<input type="checkbox"/> Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11334P

Schedule C (Form 1040) 2020



SMALL BUSINESS ADMINISTRATION
WASHINGTON, DC 20416

**NOTICE OF PAYCHECK PROTECTION PROGRAM
FORGIVENESS PAYMENT**

Borrower: ██████████ Owensby
Lender of Record: Capital Plus Financial, LLC
SBA Loan No.: 9150558608
Loan Approval Date: 03/25/2021
Loan Disbursement Amount: \$ 20,832.00

Amount of Forgiveness Requested by Lender: \$ 20,832.00
Forgiveness Amount Remitted: \$ 20,832.00 in principal and \$ 88.54 in interest
Forgiveness Payment Date: 08/31/2021

As authorized by Section 1106 of the CARES Act, SBA has remitted to the Lender of Record the payment listed above for forgiveness of the Borrower's Paycheck Protection Program (PPP) loan.

If any balance remains on the PPP loan after application of the forgiveness payment, the Lender must notify the Borrower of the date on which the first payment is due, and the loan must be repaid by the Borrower on or before the maturity date.

For loans of \$150,000 and less [except for those borrowers that together with their affiliates received loans of \$2 million or greater], the borrower must retain records relevant to the loan forgiveness application that prove compliance with the requirements of Section 7(a)(36) and Section 7A of the Small Business Act—with respect to employment records, for the 4-year period following submission of the loan forgiveness application, and with respect to other records, for the 3-year period following submission of the loan forgiveness application.

For loans greater than \$150,000, the Borrower must retain all records relating to the Borrower's PPP loan for six years from the date the loan is forgiven or repaid in full.

THIS DOCUMENT IS A NOTICE OF PAYMENT ONLY. ISSUANCE OF THIS NOTICE OF PAYMENT DOES NOT PROVIDE THE BORROWER WITH A RIGHT TO APPEAL TO THE SBA OFFICE OF HEARINGS AND APPEALS.



SMALL BUSINESS ADMINISTRATION
WASHINGTON, DC 20416

**NOTICE OF PAYCHECK PROTECTION PROGRAM
FORGIVENESS PAYMENT**

Borrower: ██████████ **Spencer**
Lender of Record: Capital Plus Financial, LLC
SBA Loan No.: 2616498604
Loan Approval Date: 03/15/2021
Loan Disbursement Amount: \$ 12,937.00

Amount of Forgiveness Requested by Lender: \$ 12,937.00
Forgiveness Amount Remitted: \$ 12,937.00 in principal and \$ 117.51 in interest
Forgiveness Payment Date: 02/08/2022

As authorized by Section 1106 of the CARES Act, SBA has remitted to the Lender of Record the payment listed above for forgiveness of the Borrower's Paycheck Protection Program (PPP) loan.

If any balance remains on the PPP loan after application of the forgiveness payment, the Lender must notify the Borrower of the date on which the first payment is due, and the loan must be repaid by the Borrower on or before the maturity date.

For loans of \$150,000 and less [except for those borrowers that together with their affiliates received loans of \$2 million or greater], the borrower must retain records relevant to the loan forgiveness application that prove compliance with the requirements of Section 7(a)(36) and Section 7A of the Small Business Act—with respect to employment records, for the 4-year period following submission of the loan forgiveness application, and with respect to other records, for the 3-year period following submission of the loan forgiveness application.

For loans greater than \$150,000, the Borrower must retain all records relating to the Borrower's PPP loan for six years from the date the loan is forgiven or repaid in full.

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SMALL BUSINESS ADMINISTRATION
WASHINGTON, DC 20416

**NOTICE OF PAYCHECK PROTECTION PROGRAM
FORGIVENESS PAYMENT**

Borrower: Kristen Spencer
Lender of Record: Capital Plus Financial, LLC
SBA Loan No.: 3090888602
Loan Approval Date: 03/16/2021
Loan Disbursement Amount: \$ 20,832.00

Amount of Forgiveness Requested by Lender: \$ 20,832.00
Forgiveness Amount Remitted: \$ 20,832.00 in principal and \$ 89.11 in interest
Forgiveness Payment Date: 08/24/2021

As authorized by Section 1106 of the CARES Act, SBA has remitted to the Lender of Record the payment listed above for forgiveness of the Borrower's Paycheck Protection Program (PPP) loan.

If any balance remains on the PPP loan after application of the forgiveness payment, the Lender must notify the Borrower of the date on which the first payment is due, and the loan must be repaid by the Borrower on or before the maturity date.

For loans of \$150,000 and less [except for those borrowers that together with their affiliates received loans of \$2 million or greater], the borrower must retain records relevant to the loan forgiveness application that prove compliance with the requirements of Section 7(a)(36) and Section 7A of the Small Business Act—with respect to employment records, for the 4-year period following submission of the loan forgiveness application, and with respect to other records, for the 3-year period following submission of the loan forgiveness application.

For loans greater than \$150,000, the Borrower must retain all records relating to the Borrower's PPP loan for six years from the date the loan is forgiven or repaid in full.

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SMALL BUSINESS ADMINISTRATION
WASHINGTON, DC 20416

**NOTICE OF PAYCHECK PROTECTION PROGRAM
FORGIVENESS PAYMENT**

Borrower: Adam Spencer
Lender of Record: Capital Plus Financial, LLC
SBA Loan No.: 6232778604
Loan Approval Date: 03/20/2021
Loan Disbursement Amount: \$ 20,832.00

Amount of Forgiveness Requested by Lender: \$ 20,832.00
Forgiveness Amount Remitted: \$ 20,832.00 in principal and \$ 93.74 in interest
Forgiveness Payment Date: 08/31/2021

As authorized by Section 1106 of the CARES Act, SBA has remitted to the Lender of Record the payment listed above for forgiveness of the Borrower's Paycheck Protection Program (PPP) loan.

If any balance remains on the PPP loan after application of the forgiveness payment, the Lender must notify the Borrower of the date on which the first payment is due, and the loan must be repaid by the Borrower on or before the maturity date.

For loans of \$150,000 and less [except for those borrowers that together with their affiliates received loans of \$2 million or greater], the borrower must retain records relevant to the loan forgiveness application that prove compliance with the requirements of Section 7(a)(36) and Section 7A of the Small Business Act—with respect to employment records, for the 4-year period following submission of the loan forgiveness application, and with respect to other records, for the 3-year period following submission of the loan forgiveness application.

For loans greater than \$150,000, the Borrower must retain all records relating to the Borrower's PPP loan for six years from the date the loan is forgiven or repaid in full.

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SMALL BUSINESS ADMINISTRATION
WASHINGTON, DC 20416

**NOTICE OF PAYCHECK PROTECTION PROGRAM
FORGIVENESS PAYMENT**

Borrower: [REDACTED] **Hartin**
Lender of Record: Capital Plus Financial, LLC
SBA Loan No.: 1688898600
Loan Approval Date: 03/13/2021
Loan Disbursement Amount: \$ 11,290.00

Amount of Forgiveness Requested by Lender: \$ 11,290.00
Forgiveness Amount Remitted: \$ 11,290.00 in principal and \$ 86.87 in interest
Forgiveness Payment Date: 12/15/2021

As authorized by Section 1106 of the CARES Act, SBA has remitted to the Lender of Record the payment listed above for forgiveness of the Borrower's Paycheck Protection Program (PPP) loan.

If any balance remains on the PPP loan after application of the forgiveness payment, the Lender must notify the Borrower of the date on which the first payment is due, and the loan must be repaid by the Borrower on or before the maturity date.

For loans of \$150,000 and less [except for those borrowers that together with their affiliates received loans of \$2 million or greater], the borrower must retain records relevant to the loan forgiveness application that prove compliance with the requirements of Section 7(a)(36) and Section 7A of the Small Business Act—with respect to employment records, for the 4-year period following submission of the loan forgiveness application, and with respect to other records, for the 3-year period following submission of the loan forgiveness application.

For loans greater than \$150,000, the Borrower must retain all records relating to the Borrower's PPP loan for six years from the date the loan is forgiven or repaid in full.

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SMALL BUSINESS ADMINISTRATION
WASHINGTON, DC 20416

**NOTICE OF PAYCHECK PROTECTION PROGRAM
FORGIVENESS PAYMENT**

Borrower: Elevate Consulting LLC
Lender of Record: Capital Plus Financial, LLC
SBA Loan No.: 4818108404
Loan Approval Date: 02/07/2021
Loan Disbursement Amount: \$ 20,832.00

Amount of Forgiveness Requested by Lender: \$ 20,832.00
Forgiveness Amount Remitted: \$ 20,832.00 in principal and \$ 138.88 in interest
Forgiveness Payment Date: 10/05/2021

As authorized by Section 1106 of the CARES Act, SBA has remitted to the Lender of Record the payment listed above for forgiveness of the Borrower's Paycheck Protection Program (PPP) loan.

If any balance remains on the PPP loan after application of the forgiveness payment, the Lender must notify the Borrower of the date on which the first payment is due, and the loan must be repaid by the Borrower on or before the maturity date.

For loans of \$150,000 and less [except for those borrowers that together with their affiliates received loans of \$2 million or greater], the borrower must retain records relevant to the loan forgiveness application that prove compliance with the requirements of Section 7(a)(36) and Section 7A of the Small Business Act—with respect to employment records, for the 4-year period following submission of the loan forgiveness application, and with respect to other records, for the 3-year period following submission of the loan forgiveness application.

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SMALL BUSINESS ADMINISTRATION
WASHINGTON, DC 20416

**NOTICE OF PAYCHECK PROTECTION PROGRAM
FORGIVENESS PAYMENT**

Borrower: Sweet P Designs
Lender of Record: Capital Plus Financial, LLC
SBA Loan No.: 6265518505
Loan Approval Date: 03/03/2021
Loan Disbursement Amount: \$ 19,555.00

Amount of Forgiveness Requested by Lender: \$ 19,555.00
Forgiveness Amount Remitted: \$ 19,555.00 in principal and \$ 93.43 in interest
Forgiveness Payment Date: 08/24/2021

As authorized by Section 1106 of the CARES Act, SBA has remitted to the Lender of Record the payment listed above for forgiveness of the Borrower's Paycheck Protection Program (PPP) loan.

If any balance remains on the PPP loan after application of the forgiveness payment, the Lender must notify the Borrower of the date on which the first payment is due, and the loan must be repaid by the Borrower on or before the maturity date.

For loans of \$150,000 and less [except for those borrowers that together with their affiliates received loans of \$2 million or greater], the borrower must retain records relevant to the loan forgiveness application that prove compliance with the requirements of Section 7(a)(36) and Section 7A of the Small Business Act—with respect to employment records, for the 4-year period following submission of the loan forgiveness application, and with respect to other records, for the 3-year period following submission of the loan forgiveness application.

For loans greater than \$150,000, the Borrower must retain all records relating to the Borrower's PPP loan for six years from the date the loan is forgiven or repaid in full.

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**Paycheck Protection Program
Second Draw Borrower Application Form
Revised March 18, 2021**

OMB Control No.: 3245-0417
Expiration Date: 9/30/2021

Check One: <input checked="" type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent contractor <input type="checkbox"/> Self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Other 501(c) organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal business <input type="checkbox"/> Other	DBA or Tradename (if applicable)	Year of Establishment (if applicable)
		2014
Business Legal Name		NAICS Code
Kristen Spencer		541613
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed)	Business TIN (EIN, SSN, ITIN)	Business Phone
██████████ Mesa, Arizona 85213	██████████	██████████
	Primary Contact	Email Address
	Kristen Spencer	██████████@gmail.com

Average Monthly Payroll:	\$ 8333	x 2.5 (or x 3.5 for NAICS 72 applicants) equals Loan Request Amount (may not exceed \$2,000,000):	\$ 20832	Number of Employees (including affiliates, if applicable; may not exceed 300 unless "per location" exception applies):	1
Purpose of the loan (select all that apply):	<input checked="" type="checkbox"/> Payroll Costs	<input checked="" type="checkbox"/> Rent / Mortgage Interest	<input checked="" type="checkbox"/> Utilities	<input type="checkbox"/> Covered Operations Expenditures	
	<input type="checkbox"/> Covered Property Damage	<input checked="" type="checkbox"/> Covered Supplier Costs	<input type="checkbox"/> Covered Worker Protection Expenditures	<input checked="" type="checkbox"/> Other (explain): _____	
PPP First Draw SBA Loan Number:	6269958102				

Reduction in Gross Receipts of at Least 25% (Applicants for loans of \$150,000 or less may leave blank but must provide upon or before seeking loan forgiveness or upon SBA request):	2020 Quarter (e.g., 2Q 2020):		Reference Quarter (e.g., 2Q 2019):	
	Gross Receipts:	\$	Gross Receipts	\$

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN, ITIN)	Address
Kristen Spencer	Owner	100	██████████	██████████ Mesa, AZ, 85213

PPP Applicant Demographic Information (Optional)

Veteran/gender/race/ethnicity data is collected for program reporting purposes only. Disclosure is voluntary and will have no bearing on the loan application decision.

Principal Name	Kristen Spencer	Principal Position	Owner
Select Response Below:			
Veteran	<input checked="" type="checkbox"/> Non-Veteran; <input type="checkbox"/> Veteran; <input type="checkbox"/> Service-Disabled Veteran; <input type="checkbox"/> Spouse of Veteran; <input type="checkbox"/> Not Disclosed		
Gender	<input type="checkbox"/> Male; <input checked="" type="checkbox"/> Female; <input type="checkbox"/> Not Disclosed		
Race (more than 1 may be selected)	<input type="checkbox"/> American Indian or Alaska Native; <input type="checkbox"/> Asian; <input type="checkbox"/> Black or African-American; <input type="checkbox"/> Native Hawaiian or Pacific Islander; <input checked="" type="checkbox"/> White; <input type="checkbox"/> Not Disclosed		
Ethnicity	<input type="checkbox"/> Hispanic or Latino; <input checked="" type="checkbox"/> Not Hispanic or Latino; <input type="checkbox"/> Not Disclosed		



**Paycheck Protection Program
Second Draw Borrower Application Form
Revised March 18, 2021**

If questions (1), (2), (4), or (5) are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency (other than a Federal student loan made or guaranteed through a program administered by the Department of Education) that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management (including a management agreement) with any other business? If yes, list all such businesses (including their TINs if available) and describe the relationship on a separate sheet identified as addendum A.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction? Initial here to confirm your response to question 4 → _____ K S _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5. Within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 5 → _____ K S _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Is the United States the principal place of residence for all employees included in the Applicant's payroll calculation above?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Is the Applicant a franchise?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8. Is the franchise listed in SBA's Franchise Directory? If yes, enter SBA Franchise Identifier Code here: _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>



**Paycheck Protection Program
Second Draw Borrower Application Form
Revised March 18, 2021**

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) and the Department of the Treasury (Treasury) implementing Second Draw Paycheck Protection Program Loans under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and Title V of the American Rescue Plan Act of 2021 (the Paycheck Protection Program Rules).
- The Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) employs no more than 300 employees; (3) if NAICS 72, employs no more than 300 employees per physical location; (4) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business, a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, or an Internet-only news or periodical publisher assigned NAICS code 519130 and engaged in the collection and distribution of local or regional and national news and information, employs no more than 300 employees per location; or (5) if a 501(c)(3) organization, an eligible 501(c)(6) organization, other eligible 501(c) organization, eligible destination marketing organization, employs no more than 300 employees per physical location.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rules including the prohibition on using loan proceeds for lobbying activities and expenditures. If Applicant is a news organization that became eligible for a loan under Section 317 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, proceeds of the loan will be used to support expenses at the component of the business concern that produces or distributes locally focused or emergency information. If the Applicant is an Internet-only news or periodical publisher that became eligible for a loan under Section 5001 of the American Rescue Plan Act of 2021, the proceeds of the loan will be used to support expenses at the component of the business or organization that supports local or regional news.
- I understand that SBA encourages the purchase, to the extent feasible, of American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

- KS The Applicant was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees, or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.
- KS Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- KS The Applicant has realized a reduction in gross receipts in excess of 25% relative to the relevant comparison time period. For loans greater than \$150,000, Applicant has provided documentation to the lender substantiating the decline in gross receipts. For loans of \$150,000 or less, Applicant will provide documentation substantiating the decline in gross receipts upon or before seeking loan forgiveness for the Second Draw Paycheck Protection Program Loan or upon SBA request.
- KS The Applicant received a First Draw Paycheck Protection Program Loan and, before the Second Draw Paycheck Protection Program Loan is disbursed, will have used the full loan amount (including any increase) of the First Draw Paycheck Protection Program Loan only for eligible expenses.
- KS The funds will be used to retain workers and maintain payroll; or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures as specified under the Paycheck Protection Program Rules; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.
- KS I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, covered utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures, and not more than 40% of the forgiven amount may be for non-payroll costs. If required, the Applicant will provide to the Lender and/or SBA documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of eligible expenses for the covered period following this loan.
- KS The Applicant has not and will not receive another Second Draw Paycheck Protection Program Loan.



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- K S** The Applicant has not been approved for a Shuttered Venue Operator (SVO) grant from SBA as of the date of this loan application, and the Applicant acknowledges that if the Applicant is approved for an SVO grant before SBA issues a loan number for this loan, the Applicant is ineligible for the loan and acceptance of any loan proceeds will be considered an unauthorized use.
- K S** The President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act.
- K S** The Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f).
- K S** The Applicant is not a business concern or entity (a) for which an entity created in or organized under the laws of the People’s Republic of China or the Special Administrative Region of Hong Kong, or that has significant operations in the People’s Republic of China or the Special Administrative Region of Hong Kong, owns or holds, directly or indirectly, not less than 20 percent of the economic interest of the business concern or entity, including as equity shares or a capital or profit interest in a limited liability company or partnership; or (b) that retains, as a member of the board of directors of the business concern, a person who is a resident of the People’s Republic of China.
- K S** The Applicant is not required to submit a registration statement under section 2 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 612).
- K S** The Applicant is not a business concern or entity primarily engaged in political or lobbying activities, including any entity that is organized for research or for engaging in advocacy in areas such as public policy or political strategy or otherwise describes itself as a think tank in any public documents.
- K S** I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.
- K S** I acknowledge that the Lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge, and agree that the Lender can share any tax information that I have provided with SBA’s authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

 _____

Signature of Authorized Representative of Applicant

Kristen Spencer

Print Name

3/15/2021

Date

Owner

Title



**Paycheck Protection Program
Second Draw Borrower Application Form
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Purpose of this form:

This form is to be completed by the authorized representative of the Applicant and **submitted to your SBA Participating Lender**. Submission of the requested information is required to make a determination regarding eligibility for financial assistance. Failure to submit the information would affect that determination.

An Applicant that files an IRS Form 1040, Schedule C, and elects to calculate the PPP loan amount using net profit must use this form. *An Applicant that files an IRS Form 1040, Schedule C, and elects to calculate the PPP loan amount using gross income cannot use this form, and instead must use SBA Form 2483-SD-C.* An Applicant that files an IRS Form 1040, Schedule F, and calculates the PPP loan amount using gross income must also use this form.

Instructions for completing this form:

With respect to Purpose of the Loan, payroll costs consist of compensation to employees (whose principal place of residence is the United States) in the form of salary, wages, commissions, or similar compensation; cash tips or the equivalent (based on employer records of past tips or, in the absence of such records, a reasonable, good-faith employer estimate of such tips); payment for vacation, parental, family, medical, or sick leave (except those paid leave amounts for which a credit is allowed under FFCRA Sections 7001 and 7003); allowance for separation or dismissal; payment for the provision of employee benefits (including insurance premiums) consisting of group health care coverage, group life, disability, vision, or dental insurance, and retirement benefits; payment of state and local taxes assessed on compensation of employees; and, for an independent contractor or sole proprietor, wage, commissions, income, or net earnings from self-employment or similar compensation.

For purposes of calculating Average Monthly Payroll, most Applicants will use the average monthly payroll for 2019 or 2020, excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For seasonal businesses, the Applicant may elect to instead use average total monthly payroll for any twelve-week period selected by the Applicant between February 15, 2019 and February 15, 2020, excluding costs over \$100,000 on an annualized basis, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For new businesses without 12 months of payroll costs but that were in operation on February 15, 2020, average monthly payroll may be calculated based on the number of months in which payroll costs were incurred, excluding costs over \$100,000 on an annualized basis for each employee, as prorated for the period during which the payments are made or the obligation to make the payments is incurred, for each employee. For farmers and ranchers that operate as a sole proprietorship or as an independent contractor, or who are eligible self-employed individuals (including single member LLCs and qualified joint ventures) and report farm income or expenses on a Schedule F (or any equivalent successor IRS form), payroll costs are computed using eligible payroll costs for employees, if any, plus the lesser of \$100,000 and the difference between gross income and any eligible payroll costs for employees, as reported on a Schedule F. For Applicants that file IRS Form 1040, Schedule C, and elect to calculate the PPP loan amount using net profit, payroll costs are computed using line 31 net profit amount, limited to \$100,000, plus any eligible payroll costs for employees (to calculate loan amount using gross income, see SBA Form 2483-SD-C). For Applicants that are partnerships, payroll costs are computed using net earnings from self-employment of individual general partners, as reported on IRS Form 1065 K-1, reduced by section 179 expense deduction claimed, unreimbursed partnership expenses claimed, and depletion claimed on oil and gas properties, multiplied by 0.9235, that is not more than \$100,000, plus any eligible payroll costs for employees.

For Schedule F filers, if the Applicant is a qualified joint venture for federal income tax purposes ((1) the only members of the joint venture are a married couple who file a joint return and each file Schedule F, (2) both spouses materially participate in the trade or business, and (3) both spouses elect not to be treated as a partnership), only one spouse may submit this form on behalf of the qualified joint venture. For purposes of calculating the loan amount using gross income (Schedule F filers only), use the sum of gross income (Schedule F, line 9) from both spouses.

In determining whether the Applicant experienced at least a 25% reduction in gross receipts, for loans above \$150,000, the Applicant must identify the 2020 quarter meeting this requirement, identify the reference quarter, and state the gross receipts amounts for both quarters, as well as provide supporting documentation. For loans of \$150,000 and below, these fields are not required and the Applicant only must certify that the Applicant has met the 25% gross receipts reduction at the time of application; however, upon or before seeking loan forgiveness (or upon SBA request) the Applicant must provide documentation that identifies the 2020 quarter meeting this requirement, identifies the reference quarter, states the gross receipts amounts for both quarters, and supports the amounts provided. For all loans, the appropriate reference quarter depends on how long the Applicant has been in operation:

- For all Applicants other than those satisfying the conditions set forth below, Applicants must demonstrate that gross receipts in any quarter of 2020 were at least 25% lower than the same quarter of 2019. Alternatively, Applicants may compare annual gross receipts in 2020 with annual gross receipts in 2019; Applicants choosing to use annual gross receipts must enter “Annual” in the 2020 Quarter and Reference Quarter fields and, as required documentation, must submit copies of annual tax forms substantiating the annual gross receipts reduction.
- For Applicants not in business during the first and second quarters of 2019 but in operation during the third and fourth quarters of 2019, Applicants must demonstrate that gross receipts in any quarter of 2020 were at least 25% lower than either the third or fourth quarters of 2019.
- For Applicants not in business during the first, second, and third quarters of 2019 but in operation during the fourth quarter of 2019, Applicants must demonstrate that gross receipts in any quarter of 2020 were at least 25% lower than the fourth quarter of 2019.
- For Applicants not in business during 2019 but in operation on February 15, 2020, Applicants must demonstrate that gross receipts in the second, third, or fourth quarter of 2020 were at least 25% lower than the first quarter of 2020.

Gross receipts includes all revenue in whatever form received or accrued (in accordance with the Applicant’s accounting method) from whatever source, including from the sales of products or services, interest, dividends, rents, royalties, fees, or commissions, reduced by returns and allowances. Generally, receipts are considered “total income” (or in the case of a sole proprietorship “gross income”) plus “cost of goods sold” and excludes net capital gains or losses as these terms are defined and reported on IRS tax return forms. Gross receipts do not include the following: taxes collected for and remitted to a taxing authority if included in gross or total income, such as sales or other taxes collected from customers and excluding taxes levied on the concern or its employees; proceeds from transactions between a concern and its domestic or foreign affiliates; and amounts collected for another by a travel agent, real estate agent, advertising agent, conference management service provider, freight forwarder or customs broker. All other items, such as subcontractor costs, reimbursements for purchases a contractor makes at a customer’s request, investment income, and employee-based costs such as payroll taxes, may not be excluded from gross receipts. Gross receipts of an Applicant must be aggregated with gross receipts of its affiliates. For a nonprofit organization, veterans



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organization, nonprofit news organization, 501(c)(6) organization, and destination marketing organization, gross receipts has the meaning in section 6033 of the Internal Revenue Code of 1986.

For purposes of reporting Number of Employees, sole proprietors, self-employed individuals, and independent contractors should include themselves as employees (i.e., the minimum number in the box Number of Employees is one). For NAICS 72, eligible news organizations, 501(c)(3) organizations, eligible 501(c)(6) organizations, other eligible 501(c) organizations, eligible destination marketing organizations, or Internet-only news or periodical publishers assigned NAICS code 519130, applicants may not exceed 300 employees per physical location. Applicants may use their average employment over the time period used to calculate their aggregate payroll costs to determine their number of employees. Alternatively, Applicants may elect to use the average number of employees per pay period in the 12 completed calendar months prior to the date of the loan application.

For purposes of reporting Year of Establishment, self-employed individuals and independent contractors may enter "NA".

For purposes of reporting NAICS Code, applicants must match the business activity code provided on their IRS income tax filings, if applicable. For purposes of calculating an Applicant's maximum payroll costs, an Applicant may multiply its average monthly payroll costs by 3.5 only if the Applicant is in the Accommodation and Food Services sector and has reported a NAICS code beginning with 72 as its business activity code on its most recent IRS income tax return.

All parties listed below are considered owners of the Applicant:

- For a sole proprietorship, the sole proprietor;
- For a partnership, all general partners, and all limited partners owning 20% or more of the equity of the firm;
- For a corporation, all owners of 20% or more of the corporation;
- For limited liability companies, all members owning 20% or more of the company; and
- Any Trustor (if the Applicant is owned by a trust).

For purposes of reporting (optional) demographic information:

1. **Purpose.** Veteran/gender/race/ethnicity data is collected for program reporting purposes only.
2. **Description.** This form requests information about each of the Applicant's Principals. Add additional sheets if necessary.
3. **Definition of Principal.** The term "Principal" means:
 - For a self-employed individual, independent contractor, or a sole proprietor, the self-employed individual, independent contractor, or sole proprietor.
 - For a partnership, all general partners and all limited partners owning 20% or more of the equity of the Applicant, or any partner that is involved in the management of the Applicant's business.
 - For a corporation, all owners of 20% or more of the Applicant, and each officer and director.
 - For a limited liability company, all members owning 20% or more of the Applicant, and each officer and director.
 - Any individual hired by the Applicant to manage the day-to-day operations of the Applicant ("key employee").
 - Any trustor (if the Applicant is owned by a trust).
 - For a nonprofit organization, the officers and directors of the Applicant.
4. **Principal Name.** Insert the full name of the Principal.
5. **Principal Position.** Identify the Principal's position; for example, self-employed individual; independent contractor; sole proprietor; general partner; owner; officer; director; member; or key employee.

Paperwork Reduction Act – You are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated time for completing this application, including gathering data needed, is 8 minutes. Comments about this time or the information requested should be sent to: Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**

Privacy Act (5 U.S.C. 552a) – Under the provisions of the Privacy Act, you are not required to provide your social security number. Failure to provide your social security number may not affect any right, benefit or privilege to which you are entitled. (But see Debt Collection Notice regarding taxpayer identification number below.) Disclosures of name and other personal identifiers are required to provide SBA with sufficient information to make a character determination. When evaluating character, SBA considers the person's integrity, candor, and disposition toward criminal actions. Additionally, SBA is specifically authorized to verify your criminal history, or lack thereof, pursuant to section 7(a)(1)(B), 15 U.S.C. 636(a)(1)(B) of the Small Business Act.

Disclosure of Information – Requests for information about another party may be denied unless SBA has the written permission of the individual to release the information to the requestor or unless the information is subject to disclosure under the Freedom of Information Act. The Privacy Act authorizes SBA to make certain "routine uses" of information protected by that Act. One such routine use is the disclosure of information maintained in SBA's system of records when this information indicates a violation or potential violation of law, whether civil, criminal, or administrative in nature. Specifically, SBA may refer the information to the appropriate agency, whether Federal, State, local or foreign, charged with responsibility for, or otherwise involved in investigation, prosecution, enforcement or prevention of such violations. Another routine use is disclosure to other Federal agencies conducting background checks but only to the extent the information is relevant to the requesting agencies' function. See, 74 F.R. 14890 (2009), and as amended from time to time for additional background and other routine uses. In addition, the CARES Act, requires SBA to register every loan made under the Paycheck Protection Program using the Taxpayer Identification Number (TIN) assigned to the borrower.



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Debt Collection Act of 1982, Deficit Reduction Act of 1984 (31 U.S.C. 3701 et seq. and other titles) – SBA must obtain your taxpayer identification number when you apply for a loan. If you receive a loan, and do not make payments as they come due, SBA may: (1) report the status of your loan(s) to credit bureaus, (2) hire a collection agency to collect your loan, (3) offset your income tax refund or other amounts due to you from the Federal Government, (4) suspend or debar you or your company from doing business with the Federal Government, (5) refer your loan to the Department of Justice, or (6) take other action permitted in the loan instruments.

Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) – The Right to Financial Privacy Act of 1978, grants SBA access rights to financial records held by financial institutions that are or have been doing business with you or your business including any financial institutions participating in a loan or loan guaranty. SBA is only required provide a certificate of its compliance with the Act to a financial institution in connection with its first request for access to your financial records. SBA's access rights continue for the term of any approved loan guaranty agreement. SBA is also authorized to transfer to another Government authority any financial records concerning an approved loan or loan guarantee, as necessary to process, service or foreclose on a loan guaranty or collect on a defaulted loan guaranty.

Freedom of Information Act (5 U.S.C. 552) – This law provides, with some exceptions, that SBA must supply information reflected in agency files and records to a person requesting it. Information about approved loans that is generally released includes, among other things, statistics on our loan programs (individual borrowers are not identified in the statistics) and other information such as the names of the borrowers, the amount of the loan, and the type of the loan. Proprietary data on a borrower would not routinely be made available to third parties. All requests under this Act are to be addressed to the nearest SBA office and be identified as a Freedom of Information request.

Occupational Safety and Health Act (15 U.S.C. 651 et seq.) – The Occupational Safety and Health Administration (OSHA) can require businesses to modify facilities and procedures to protect employees. Businesses that do not comply may be fined and required to abate the hazards in their workplaces. They may also be ordered to cease operations posing an imminent danger of death or serious injury until employees can be protected. Signing this form is certification that the applicant, to the best of its knowledge, is in compliance with the applicable OSHA requirements, and will remain in compliance during the life of the loan.

Civil Rights (13 C.F.R. 112, 113, 117) – All businesses receiving SBA financial assistance must agree not to discriminate in any business practice, including employment practices and services to the public on the basis of categories cited in 13 C.F.R., Parts 112, 113, and 117 of SBA Regulations. All borrowers must display the "Equal Employment Opportunity Poster" prescribed by SBA.

Equal Credit Opportunity Act (15 U.S.C. 1691) – Creditors are prohibited from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act.

Debarment and Suspension Executive Order 12549 (2 C.F.R. Part 180 and Part 2700) – By submitting this loan application, you certify that neither the Applicant or any owner of the Applicant have within the past three years been: (a) debarred, suspended, declared ineligible or voluntarily excluded from participation in a transaction by any Federal Agency; (b) formally proposed for debarment, with a final determination still pending; (c) indicted, convicted, or had a civil judgment rendered against you for any of the offenses listed in the regulations or (d) delinquent on any amounts owed to the U.S. Government or its instrumentalities as of the date of execution of this certification.



Paycheck Protection Program
Lender's Application - Second Draw Loan Guaranty
Revised March 18, 2021

OMB Control No.: 3245-0417
 Expiration Date: 9/30/2021

The purpose of this form is to collect identifying information about the Lender, the Applicant, the loan guaranty request, sources and uses of funds, the proposed structure (which includes pricing and the loan term), and compliance with SBA Loan Program Requirements. This form reflects the data fields that will be collected electronically from lenders; no paper version of this form is required or permitted to be submitted. As used in this application, "Paycheck Protection Program Rules" refers to the rules in effect at the time you submit this application that have been issued by the Small Business Administration (SBA) and the Department of the Treasury implementing the Paycheck Protection Program, including Second Draw Paycheck Protection Program Loans, under Division A, Title I of the Coronavirus Aid, Relief, Economic Security Act and Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and Title V of the American Rescue Plan Act of 2021.

Instructions for Lenders

All Second Draw Paycheck Protection Program (PPP) Loans are processed by all Lenders under delegated authority from SBA. This application must be submitted and signed electronically in accordance with program requirements, and the information requested is to be retained in the Lender's loan file.

A. Lender Information			
Lender Name:	Capital Plus Financial, LLC	Lender Location ID:	529472
Address:	2247 Central Drive	City:	Bedford
		St:	TX
		Zip:	76021
Lender Contact:	Farzana Giga	Ph:	[REDACTED]
		Cell or Ext:	() -
Contact Email:	[REDACTED]@capitalplusfin.com	Title:	CFO

B. Applicant Information (All Applicant Ownership information provided by the Applicant on the 2483-SD or 2483-SD-C must also be submitted electronically)			
Check One: <input checked="" type="checkbox"/> Sole proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> C-Corp <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> Independent contractor <input type="checkbox"/> Self-employed individual <input type="checkbox"/> 501(c)(3) nonprofit <input type="checkbox"/> 501(c)(6) organization <input type="checkbox"/> Single member LLC (self-employed individual) <input type="checkbox"/> Qualified joint venture (self-employed individual) <input type="checkbox"/> 501(c)(19) veterans organization <input type="checkbox"/> Other 501(c) organization <input type="checkbox"/> Housing cooperative <input type="checkbox"/> Tribal business <input type="checkbox"/> Other			
Applicant Legal Name:	Kristen Spencer	NAICS Code:	541613
DBA or Tradename (if applicable):		Business Tax ID:	[REDACTED]
Year of Establishment (if applicable):	2014	Number of Employees:	1
Applicant Street Address (no P.O. Box Addresses Allowed):	[REDACTED]	City, State, Zip:	Mesa, Arizona 85213
Applicant Primary Contact:	Kristen Spencer	Phone:	[REDACTED]
SBA Loan Number for First Draw PPP Loan : 6269958102			
Reduction in Gross Receipts of at Least 25% (must provide for loans of more than \$150,000; provide for loans of \$150,000 or less ONLY if Applicant provided documentation and lender performed good faith review):	2020 Quarter:	Reference Quarter:	
	Gross Receipts \$	Gross Receipts: \$	
Complete this line only if Applicant submitted SBA Form 2483-SD-C:	Total Gross Income (from IRS Form 1040, Schedule C, Line 7)	Tax Year Used for Gross Income	
	\$ 189322	<input checked="" type="checkbox"/> 2019 <input type="checkbox"/> 2020	

C. Loan Structure Information							
Amount of Loan Request:	\$ 20832	Guarantee %:	100%	Loan Term in # of Months:	60	Payment:	Deferred
Applicant must provide documentation to Lender supporting how the loan amount was calculated in accordance with the Paycheck Protection Program Rules, and Lender must retain all such supporting documentation in Lender's file.							
Interest Rate:	1% (calculated on a non-compounding, non-adjustable basis)						

D. Loan Amount Information	
Average Monthly Payroll multiplied by 2.5 (or multiplied by 3.5 for NAICS 72 applicants) If Applicant submitted SBA Form 2483-SD-C, use the amount entered in B in either table, plus the amount entered in C for Applicants with employees (if applicable), multiplied by 2.5 (or multiplied by 3.5 for NAICS 72 applicants)	\$ 20832
Total (may not exceed \$2,000,000)	\$ 20832

E. General Eligibility *(If the answer is no to any, the loan cannot be approved)*

- The Applicant has certified to the Lender that (1) it was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC; (2) current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant; (3) it received a First Draw Paycheck Protection Program Loan and, before the Second Draw PPP Loan is disbursed, will have used the full loan amount (including any increase) of the First Draw Paycheck Protection Program Loan only for eligible expenses; (4) the funds will be used to retain workers and maintain payroll, or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures. Yes No
- The Applicant has certified to the Lender that it has realized a reduction in gross receipts in excess of 25% relative to the relevant comparison time period. For loans greater than \$150,000 (or if the loan is \$150,000 or less and the Applicant provides documentation of revenue reduction with its application), the Applicant has provided documentation to the Lender substantiating the decline in gross receipts and the Lender has confirmed the dollar amount and percentage of the Applicant's decline in gross receipts by performing a good faith review, in a reasonable time, of the Applicant's calculations and of the gross receipts documentation provided by the Applicant. For loans of \$150,000 or less that have not provided documentation, the Applicant has certified to the Lender that it will provide documentation substantiating the decline in gross receipts upon or before seeking loan forgiveness or upon SBA request. Yes No
- The Applicant has certified to the Lender that the Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) employs no more than 300 employees; (3) if NAICS 72, employs no more than 300 employees per physical location; (4) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business, a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, or an Internet-only news or periodical publisher assigned NAICS code 519130 and engaged in the collection and distribution of local or regional and national news and information, employs no more than 300 employees per location; or (5) if a 501(c)(3) organization, an eligible 501(c)(6) organization, other eligible 501(c) organization, or eligible destination marketing organization, employs no more than 300 employees per physical location. Yes No
- The Applicant has certified to the Lender that (1) it has not been approved for a Shuttered Venue Operator (SVO) grant from SBA as of the date of the loan application, and acknowledged that if the Applicant is approved for an SVO grant before SBA issues a loan number for the loan, the Applicant is ineligible for the loan and acceptance of any loan proceeds will be considered an unauthorized use; (2) the President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings provided in Section 322 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act; (3) the Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f); (4) the Applicant is not a business concern or entity (a) for which an entity created in or organized under the laws of the People's Republic of China or the Special Administrative Region of Hong Kong, or that has significant operations in the People's Republic of China or the Special Administrative Region of Hong Kong, owns or holds, directly or indirectly, not less than 20 percent of the economic interest of the business concern or entity, including as equity shares or a capital or profit interest in a limited liability company or partnership; or (b) that retains, as a member of the board of directors of the business concern, a person who is a resident of the People's Republic of China; (5) the Applicant is not required to submit a registration statement under section 2 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 612); and (6) the Applicant is not a business concern or entity primarily engaged in political or lobbying activities, including any entity that is organized for research or for engaging in advocacy in areas such as public policy or political strategy or otherwise describes itself as a think tank in any public documents. Yes No
- The Applicant has certified to the Lender that the Applicant has not and will not receive another Second Draw Paycheck Protection Program Loan. Yes No

F. Applicant Certification of Eligibility *(If not true, the loan cannot be approved)*

- The Applicant has certified to the Lender that the Applicant is eligible under the Paycheck Protection Program Rules. True

G. Franchise/License/Jobber/Membership or Similar Agreement *(If a franchise and not listed in the SBA Franchise Directory, the loan cannot be approved)*

- The Applicant has represented to the Lender that it is a franchise. Yes No
- The Applicant has represented that the franchise is listed in SBA's Franchise Directory. Yes No
- If Yes, enter the SBA Franchise Identifier Code here: _____

H. Character Determination *(If no, the loan cannot be approved)*

- The Applicant has represented to the Lender that neither the Applicant (if an individual) nor any individual owning 20% or more of the equity of the Applicant is presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction. Yes No
- The Applicant has represented to the Lender that neither the Applicant (if an individual) nor any owner of the Applicant has within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance: 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment). Yes No

I. Prior Loss to Government/Delinquent Federal Debt (If no, the loan cannot be approved)	
• The Applicant has certified to the Lender that neither the Applicant nor any owner is presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
• The Applicant has certified to the Lender that neither the Applicant nor any of its owners, nor any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency (other than a Federal student loan made or guaranteed through a program administered by the Department of Education) that is (a) currently delinquent or (b) has defaulted in the last 7 years and caused a loss to the government.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
J. U.S. Employees (If no, the loan cannot be approved)	
• The Applicant has certified that the principal place of residence for all employees included in the Applicant's payroll calculation is the United States.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
K. Fees (If yes, Lender may not pass any agent fee through to the Applicant or offset or pay the fee with the proceeds of this loan)	
• Has the Lender directly contracted with a third party to assist in the preparation of the loan application or application materials, or to perform other services in connection with this loan?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

SBA Certification to Financial Institution under Right to Financial Privacy Act (12 U.S.C. 3401)

By signing SBA Form 2483-SD or 2483-SD-C, Borrower Application Form in connection with this application for an SBA-guaranteed loan, the Applicant certifies that it has read the Statements Required by Law and Executive Orders, which is attached to SBA Form 2483-SD or 2483-SD-C. As such, SBA certifies that it has complied with the applicable provisions of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) and, pursuant to that Act, no further certification is required for subsequent access by SBA to financial records of the Applicant/Borrower during the term of the loan guaranty.

Lender Certification

On behalf of the Lender, I certify that:

- The Lender has complied with the applicable lender obligations set forth in paragraphs (h)(2)(i)(A)-(D) of the interim final rule "Paycheck Protection Program Second Draw Loans" (issued on January 6, 2021), and any amendments thereto.
- The Lender has obtained and reviewed the required application (including documents demonstrating qualifying payroll amounts and, if required, qualifying gross receipts reduction) of the Applicant and will retain copies of such documents in the Applicant's loan file.
- The Lender will register in sam.gov no later than thirty (30) days from the date of the first disbursement of a First Draw PPP Loan or Second Draw PPP Loan made by the Lender after January 7, 2021 and will provide SBA with the Lender's unique entity identifier.

I certify that:

- Neither the undersigned Authorized Lender Official, nor such individual's spouse or children, has a financial interest in the Applicant.

Authorized Lender Official: _____ Date: 3/15/2021
 Type or Print Name: Farzana Giga Title: CFO

NOTE: According to the Paperwork Reduction Act, you are not required to respond to this collection of information unless it displays a currently valid OMB Control Number. The estimated burden for completing this form, including time for reviewing instructions, gathering data needed, and completing and reviewing the form is 25 minutes per response. Comments or questions on the burden estimates should be sent to U.S. Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington DC 20416, and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Rm. 10202, Washington DC 20503. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**

From: [REDACTED]@radixlaw.com]
on behalf of [REDACTED]@radixlaw.com> [REDACTED]@radixlaw.com]
Sent: 6/23/2021 9:17:39 PM
To: [REDACTED]@capitalplusfin.com
Subject: Letter re Affiliate Loans
Attachments: Ltr to E. Donnelly 6.23.21.pdf

Good Afternoon,

Please see the attached correspondence.

Thank you.

[REDACTED] Administrative Assistant
15205 N. Kierland Blvd, Suite 200
Scottsdale, AZ 85254
Phone: [REDACTED]



CONFIDENTIALITY NOTICE: The information contained herein may be privileged and protected by the attorney/client and/or other privilege. It is confidential in nature and intended for use by the intended addressee only. If you are not the intended recipient, you are hereby expressly prohibited from dissemination, distribution, copy or any use whatsoever of this transmission and its contents. If you receive this transmission in error, please reply or call the sender and delete this transmission from your email and/or network.

June 23, 2021

Capital Plus Financial LLC
Attn: Eric Donnelly
2247 Central Drive
Bedford, TX 76021
VIA EMAIL: [REDACTED]@[capitalplusfin.com](mailto:[REDACTED]@capitalplusfin.com)

Re: *Affiliate Loans – Fin Cap, Inc.*

Dear Mr. Donnelly:

I am writing you on behalf of Fin Cap, Inc. (“FinCap”).

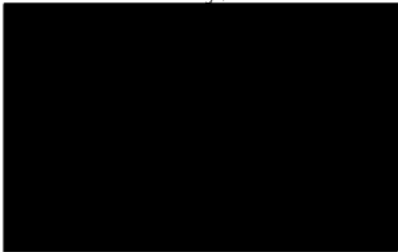
On about June 8, 2021, Capital Plus Financial LLC (“Cap Plus”) Chief Financial Officer Farzana Giga had a conversation with our CTO Noah Spirakus about certain PPP loans made by FinCap through Cap Plus. During that conversation, Ms. Giga asked for FinCap to review its files and identify to Cap Plus any PPP loan applications made through Cap Plus by any affiliates of FinCap, meaning any individuals or entities that are affiliated with FinCap through ownership, employment, or similar relationships. FinCap began the research with respect to founders, members and executives at the company. Attached please find a list of the loan applications initially responsive to Ms. Giga’s request. The attachment also includes names of affiliated parties that were searched but had no applications in the system. It is FinCap’s intention to continue to review any applications submitted by all of its employees and independent contractors.


In the course of compiling the list, FinCap has developed questions about several of the applications. Everett Advisory immediately did an initial compliance review of those loans. In an abundance of caution, I determined to retain outside counsel to review those particular files, and outside counsel is currently engaged

in that review. We expect that review to be completed by Friday, July 2, 2021, and we further expect that we will be able to share the results with you at that time. It would be premature to predict whether any further action will be required. However we believe this timeframe will provide Cap Plus with sufficient time to consider the matter and take whatever action it deems appropriate, if any.

I am available to discuss further with you at any time.

Sincerely,



Cc: 
B. Calhoun

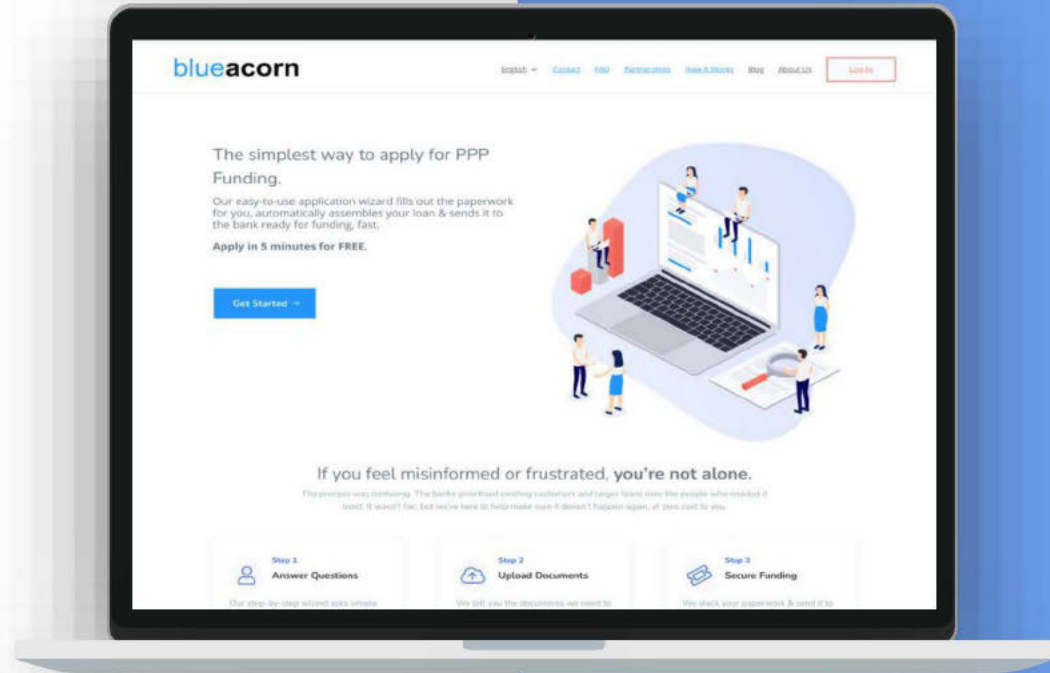
ATTACHMENT

Noah Spirakus	None
Nate Reis	BA-20006084 BA-20005338
Stephanie Hockridge	BA-20005934 BA-20005932
Lincoln Jore	BA-20006096
Jimmy Flores	None
Michael Cota	BA-21308978 BA-20005648
	None
Barry Calhoun	None
Matthew Yahes	None
Matthew Mandell	None
	None
Adam Spencer	BA-20062894 BA-20050539 (withdrawn)
Kristen Spencer	BA-21535349 BA-20008824

blueacorn

Everyone's Private Banker

Run your business with the tools you need. Get the financial support you deserve through our network of trusted financial partners.



THE TEAM

Our team shares the belief no business should be left behind when technology can easily bridge the gap.



AARON FRANK
CEO

15 years in financial services and 5 years in tech. Implemented liquidity data management systems and balance sheet management software solutions at GE Capital. Financial software consultant for several banks. Former ING. Former CEO of two silicon valley startup and currently advises startups in AI and robotics. MBA from NYU.



NATE REIS
Head of Sales

Harvard Business School graduate. CPA & experienced Chief Executive Officer with strong leadership skills and a demonstrated history of working in the computer software and payments industries. Skilled in Business Planning, Sales, Customer Relationship Management (CRM), Corporate Development, and M&A



JIMMY FLORES
Head of Business I

Founder. National Opportunity Zone expert. Fintech CEO with an advanced acquisitions platform & private marketplace for O-Zone communities & stakeholders. Dedicated to supporting the development & uplifting of underserved communities via social impact investments.



NOAH SPIRAKUS
CTO

Entrepreneur with 10+ years of experience across 3 companies with 3 exits. Built systems for a payments company that processed \$100M+ in volume. Experienced in software development, strategy, and leveraging data & AI to connect sales professionals with customers in mutually beneficial relationships.



ADAM SPENCER
Head of Operations

Adam Spencer has 25 yrs. of Corporate Banking and Payments which represents his history of running Lending and Payments divisions Globally over 33 Countries for such powerhouse players in the banking industry such as JP Morgan and BBVA. Adam also is a senior advisory board member with Evolve Bank and Trust.

BUSINESSES NEED HELP

When it comes to banking, finance, taxes & government programs, small businesses need help from a competent human being that understands them and their business needs.

WHERE DID THE HELP GO?

- Banks replaced their well-paid, experienced bankers with glorified coffee shop workers.
- Neo-banks (online-only) provide great tools, yet eliminate humans all together.
- CDFI's & other Non-profits don't have the technology tools.

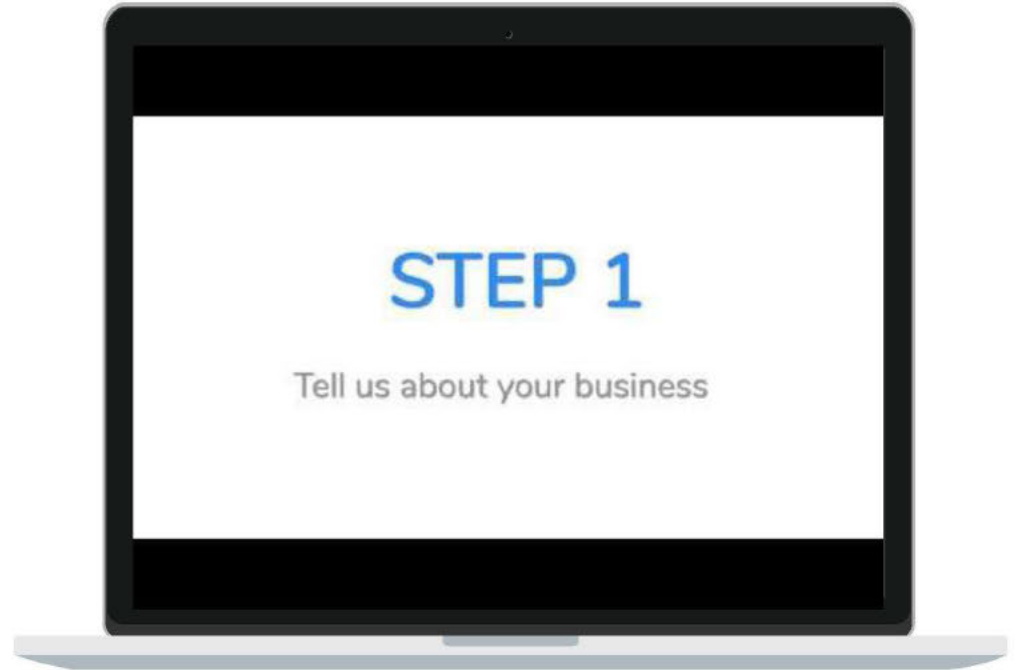


OUR SOLUTION

Blueacorn simplifies applications & accelerates the **loan approval** process.

- ➔ Step-by-step wizard asks simple questions & autofills the application.
- ➔ Users are prompted to upload exact docs needed to support their loan.
- ➔ Applicants are then connected with a nearby partner in our network*
- ➔ Blueacorn processes, underwrites, approves & funds loans that qualify for the PPP.
- ➔ With all legal docs on file, we sell other financial products & services.

*This is how we are different & our strategic advantage. It's why we are able to reach target demographics in specific geographies when others can't.

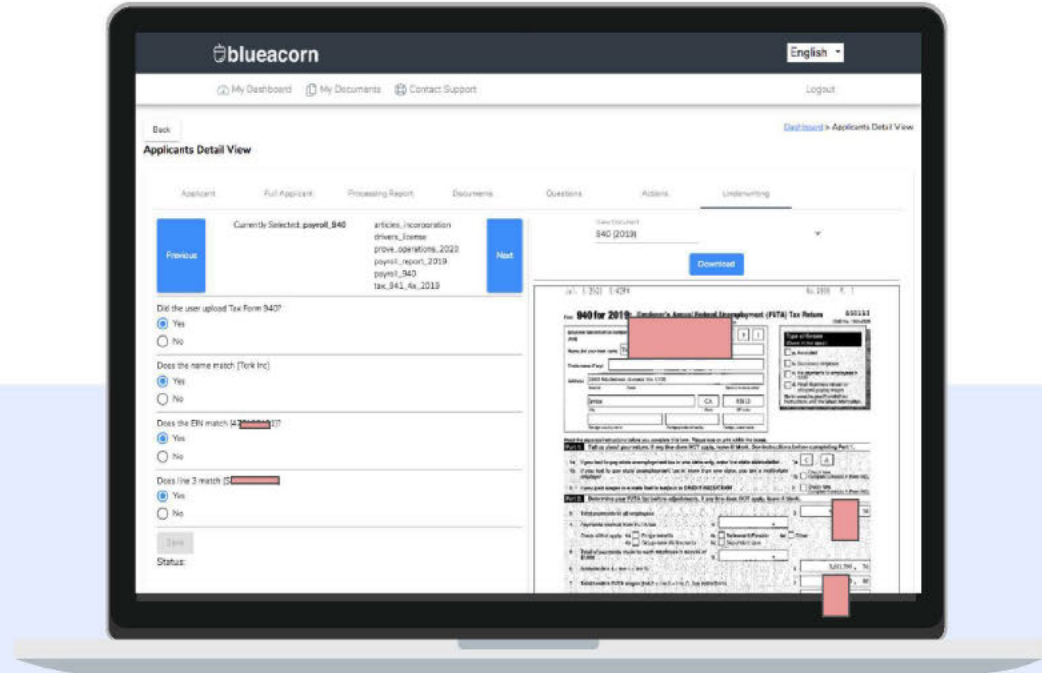


Go to blueacorn.co to see our solution in action.

PROCESSING ENGINE

Blueacorn's proprietary document intake engine allows our team to process certain types of applications in 5 minutes so we can focus humans on underwriting.

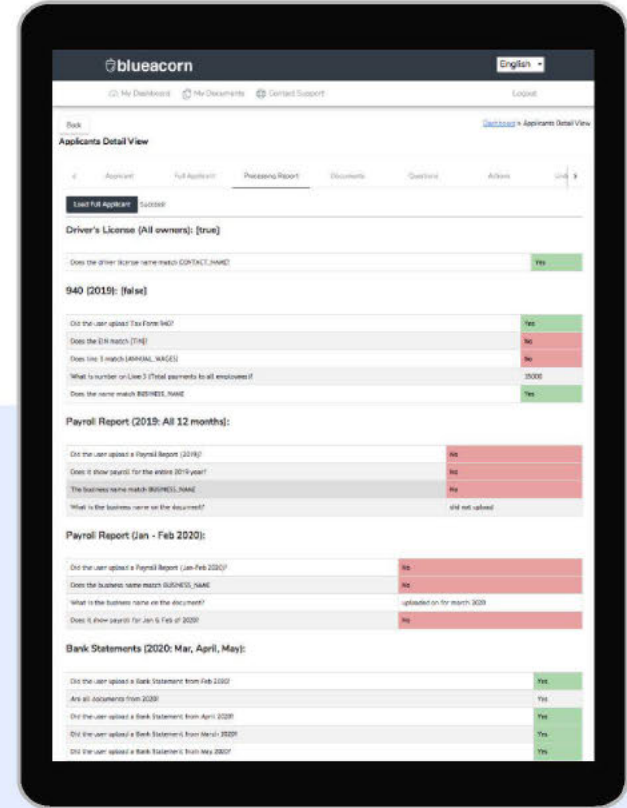
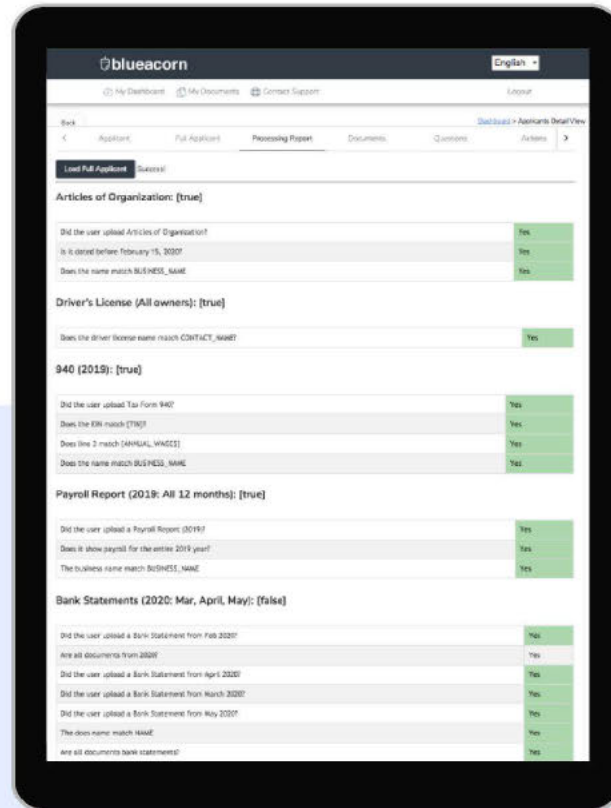
New programs and/or updated requirements can be added on the fly.



Processing Report

Users who pass are sent to underwriting.

Users who fail are sent to customer service.

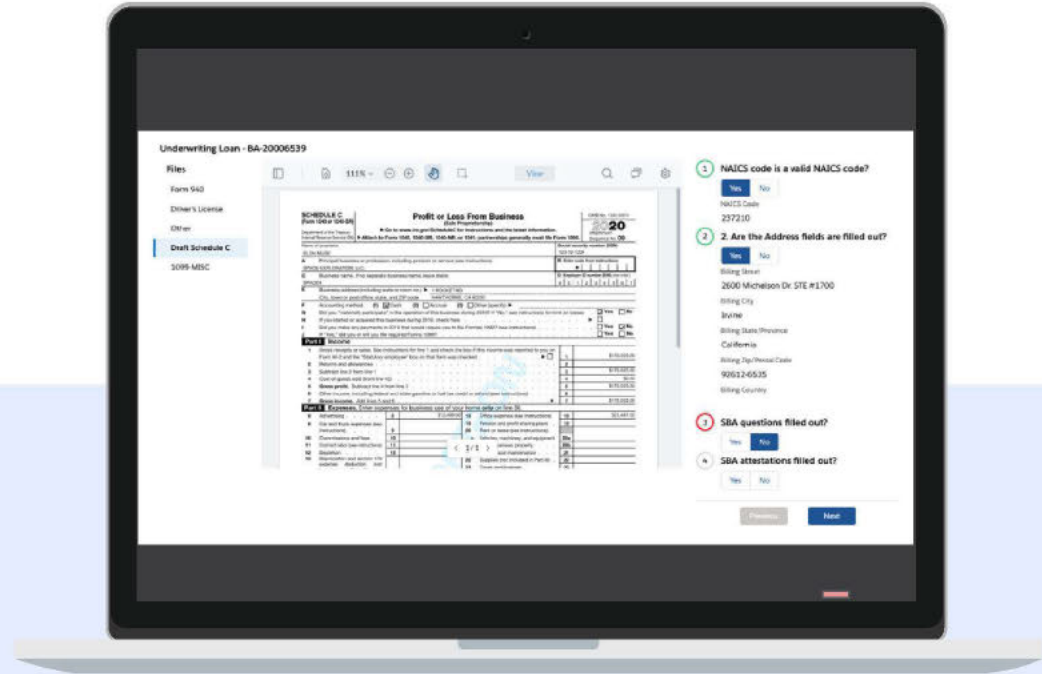


UNDERWRITING

A key strength of Blueacorn is the team in our underwriting department. We have over 160 years of combined Banking, Lending, and Operational Compliance experience. Our head of underwriting came from Silicon Valley Bank and underwrote loans in PPP Round 1.

Additionally, we have contracted a trusted partner to provide highly trained, skilled, and vertically focused underwriters who have come from various walks of the Financial Services industry including small business services, lending, and payments.

Blueacorn has built tools to assist the underwriters, including document viewers, checklists, and automated field validation.



blueacorn

Every business deserves a private banker.

FOR MORE INFORMATION

Aaron Frank

██████████@blueacorn.co

NATE REIS

██████████@blueacorn.co

