

June 17, 2021

Re: May 27, 2021 Document and Information Request

The Honorable James E. Clyburn
U.S. House of Representatives
274 Cannon House Office Building
Washington, DC 20515

cc: The Honorable Steve Scalise
U.S. House of Representatives
2049 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Clyburn,

On behalf of our client, Kabbage, Inc. (“Kabbage” or the “Company”), we are responding to the Select Subcommittee’s May 27, 2021 Letter concerning the Paycheck Protection Program (“PPP”). Kabbage understands and appreciates the Select Subcommittee’s oversight role and looks forward to working with the Select Subcommittee to address its questions.

The pandemic has been a reckoning for small businesses and the very fabric of our financial system in America. The smallest, most vulnerable businesses often struggle to receive adequate financial services in the best of times, and during the pandemic, FinTechs were, and continue to be, uniquely positioned to best service this segment of the American economy. To that end, Kabbage served a critical segment of the small business market in the first round of the PPP. The Company disbursed approximately \$6.2 billion in loans for approximately 258,000 small businesses in round one of the PPP. The vast majority of those loans were under \$50,000. Overall, Kabbage’s PPP loan average during this time was approximately \$24,000 and its median loan was approximately \$13,000. Approximately one third of loans in this time period went to businesses in zip codes with an average household income of less than \$50,000. As economists at the Federal Reserve Bank of New York recently confirmed, FinTech lenders overall “likely served borrowers who would not have received loans otherwise.” “Applicants who approached fintech lenders for PPP loans were more likely to lack banking relationships, be minority owned, and have fewer employees,” and “a higher share of applications by Black-owned businesses were approved by fintech lenders as compared to firms with white, Asian, or Hispanic owners.”¹

Moreover, as will be evident through the Company’s responses to your Letter, throughout the Program, Kabbage has used its best efforts to follow the strictures of the CARES Act, the guidance and regulations from Treasury and the SBA, and all applicable requirements under other laws and regulations.

* * *

¹ Jessica Battisto, Nathan Godin, Claire Kramer Mills, and Asani Sarkar, “Who Received PPP Loans by Fintech Lenders?,” Federal Reserve Bank of New York *Liberty Street Economics*, May 27, 2021, <https://libertystreeteconomics.newyorkfed.org/2021/05/who-received-ppp-loans-by-fintech-lenders.html>.

By way of background, and as previously discussed with your Staff, Kabbage, which today does business as K Servicing, is now a very different company than it was during the first round of the PPP. In October 2020, Kabbage closed a series of transactions that resulted in the sale of substantially all of its assets to American Express Company. Most Kabbage employees became American Express employees, and substantially all of Kabbage's data, documents, and systems were transferred to American Express as part of the transaction. American Express also obtained all rights to use the Kabbage name. Kabbage retained its PPP business, but the data, documents, and systems supporting that business are now primarily held by American Express. Today, Kabbage has fewer than a dozen full-time employees, and has limited contractual use of data and systems now held by American Express in order to service and administer the PPP portfolio, including to conduct forgiveness-related activities. Accordingly, the transformation of the Company and its limited resources may complicate its ability to respond to the Select Subcommittee's requests. Nonetheless, the Company is fully committed to providing the Select Subcommittee all responsive documents and information in its possession, custody, or control.

* * *

Kabbage addresses below certain document and information requests as well as certain requests for written responses. For those requests that are not addressed below, Kabbage anticipates being able to provide responses on a rolling basis within the next 90 days.

Document and Information Requests

Kabbage is producing herewith copies of the Company's Enterprise Bank Secrecy Act / Anti-Money Laundering ("BSA/AML") and Office of Foreign Assets Control Policy, and Kabbage's Paycheck Protection Program BSA/AML and Fraud Procedures as an initial response to Requests 1, 2 and 4 at KAB_SUBC_000000001 through KAB_SUBC_000000085. Kabbage intends to further respond to the these requests on a rolling basis, and additional responsive documents or information, to the extent they exist and are within the Company's possession, custody, or control, will be provided in future productions.

Kabbage is also producing herewith the completed SBA Form 3507 and supporting documentation in response to Request 6 at KAB_SUBC_000000086 through KAB_SUBC_000000099.

Written Response Requests

Kabbage's responses to the Select Subcommittee's requests are below.

1. *How much is Kabbage's total revenue from facilitating PPP loans to date?*

Consistent with the CARES Act requirements, lenders receive a statutory fee that is a percentage of the PPP loan amount at the time of disbursement.

To date, Kabbage's total revenue, on an accrual basis, from facilitating PPP loans is approximately \$321 million.

4. *How many Kabbage employees have been dedicated full time and exclusively to AML, BSA, or fraud compliance, including those employed full time to prevent, detect, or investigate potential fraud, broken down by week, from January 2019 to the present?*

Kabbage does not have information in its possession, custody, or control sufficient to provide a comprehensive response to Request 4, in particular with respect to the period of time pre-dating the October 2020 transaction with American Express. To the best of the Company's knowledge, one Kabbage employee was dedicated full time and exclusively to AML, BSA, or fraud compliance from October 16, 2020 to May 2021, at which point this employee was transferred to American Express. There are currently no

Kabbage employees that are dedicated full time exclusively to AML, BSA, or fraud compliance. The Company has contracted, however, with a third-party firm to provide such services, and a number of Kabbage employees dedicate significant time to AML, BSA, and anti-fraud-related activities in addition to other responsibilities.

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

Kabbage predominantly advertised, marketed, and promoted its PPP Program through its website, <https://www.kservicing.com/>, and through <https://www.kabbage.com/>, which domain is now owned and operated by American Express. Kabbage has also directed traffic to its website through search engine optimization. Additionally, Kabbage has marketed its PPP Program through the use of its Twitter account, @KabbageInc. Finally, Kabbage engaged a number of referral partners who used additional methods for marketing the PPP Program, including email outreach, homepage banners, and social media posts. The individuals who managed those relationships and who may be able to provide additional responsive information are no longer employees of the Company and may be employed by American Express.

11. Please provide a detailed description of any incentives or rewards provided to Kabbage employees processing PPP loan applications, including monetary bonuses and non-monetary rewards.

Kabbage does not have information in its possession, custody, or control sufficient to provide a comprehensive response to Request 11, in particular with respect to the period of time pre-dating the October 2020 transaction with American Express. To the best of the Company’s knowledge, during the period following the American Express transaction, Kabbage has not provided any incentives or rewards to Kabbage employees processing PPP loan applications, including with respect to monetary bonuses and non-monetary rewards.

* * *

This response, including the information set forth in this letter and in the documents being produced herewith, is submitted solely for the use of the Select Subcommittee in connection with the above-referenced investigation. Because this response contains confidential business information, the disclosure of which could violate proprietary rights, constitute an invasion of personal privacy, or grant competitors of Kabbage an unfair advantage, we request confidential treatment to the fullest extent possible for this letter and the accompanying documents. We further request that the Select Subcommittee (1) refuse to grant third-party requests for access to the information contained here; (2) notify Kabbage, by undersigned counsel, of any requests by any person, agency or entity to review, copy or otherwise obtain the information contained here; and (3) provide Kabbage with an opportunity to substantiate its claims of confidentiality before any such information may be released. If you have any questions, please do not hesitate to contact me at [REDACTED] or the email address provided above.

Very truly yours,

/s/ Paul J. Nathanson

Paul J. Nathanson

Enclosures (by Secure File Transfer)

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July 28, 2021

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Via E-mail and FTP

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

Re: May 27, 2021 Letter Concerning Kabbage, Inc.'s Paycheck Protection Program

Dear Chairman Clyburn,

I write on behalf of our client, American Express Travel Related Services Company, Inc. (“American Express”), in connection with your May 27, 2021 letter (the “Letter”) to Mr. Rob Frohwein, former Chief Executive Officer of Kabbage, Inc. (“Kabbage”), regarding Kabbage’s Paycheck Protection Program (“PPP”). We are sending you via secure file transfer production volume AMEX-SSCC-003, containing documents bearing production control numbers AMEX-SSCC-00001682–2129. In addition, we set forth below responses to Information Request Nos. 2, 5, 6, and 8 and Request for Documents Nos. 1 and 2. Unless otherwise noted, American Express’s responses in this letter relate to Kabbage’s business activities until October 16, 2020, when American Express acquired Kabbage’s general lending platform and certain related assets and liabilities from Kabbage (the “Acquisition”). The Acquisition did not include Kabbage’s historical loan portfolio and its loan servicing operations, including its Paycheck Protection Program portfolio and servicing obligations, which were retained by Kabbage (doing business as K Servicing since the closing of the Acquisition). American Express generally does not possess information regarding the post-Acquisition business activities of Kabbage.

As discussed most recently on our July 2, 2021 call, American Express will continue to search for and provide responsive materials to the extent these materials are in its possession, custody, or control and readily accessible.

* * *

Interrogatory No. 2: *How many PPP loan applications and loans have been approved, issued, or otherwise facilitated by Kabbage, broken down by week, from April 2020 to the present?*

Response to Interrogatory No. 2:

Figure 1 below reflects the number and aggregate amount of completed PPP applications that were processed by Kabbage (including on behalf of Kabbage's PPP bank partners, Customers Bank and Cross River Bank) and submitted to the SBA, and for which the SBA returned a PPP loan number, during round 1 of the PPP. The chart does not include applications that were never submitted to the SBA. Such applications may include, for example, those for which the applicants did not provide all required information, or for which Kabbage identified an issue with the application such as indications of fraud. The chart also does not include applications that were submitted to the SBA but for which Kabbage never received a PPP loan number due to a rejection from the SBA or a bank partner, or a submission error.

The loans included in Figure 1 were not necessarily dispersed. After submission to the SBA and assignment of a PPP loan number, PPP loans could have been canceled by the SBA, Kabbage, or Kabbage's PPP bank partners (for example, if duplicate loans for the same applicant were identified, or due to fraud or other eligibility checks), or abandoned by applicants. Figure 2 below reflects the number and aggregate amount of completed PPP applications that were processed by Kabbage (including on behalf of its PPP bank partners), submitted to the SBA and for which the SBA returned a PPP loan number, and for which funds were ultimately dispersed to borrowers during round 1.

Figure 1.

Year	Week ¹	Month	Total Loan Amount	Unique PPP Loans	Unique PPP Applicants ²
2020	16	April	\$275,717,303	5,817	5,817
2020	17	April	\$235,834	2	2
2020	18	April	\$2,168,735,757	50,779	50,778
2020	18	May	\$495,052,998	14,632	14,443
2020	19	May	\$606,013,015	32,159	31,018
2020	20	May	\$275,329,402	13,897	13,895
2020	21	May	\$337,826,367	15,706	15,705
2020	22	May	\$264,671,081	12,169	12,169
2020	23	May	\$17,288,754	862	862
2020	23	June	\$226,822,428	10,070	10,070
2020	24	June	\$282,598,589	13,104	13,104
2020	25	June	\$480,534,814	18,384	18,367
2020	26	June	\$821,977,409	31,810	31,790
2020	27	June	\$571,581,518	22,415	22,410
2020	27	July	\$6,741,651	441	441
2020	28	July	\$384,419,283	18,303	18,294
2020	29	July	\$377,590,230	18,061	18,055
2020	30	July	\$423,190,340	22,867	22,862
2020	31	July	\$565,242,697	31,250	31,248
2020	31	August	\$66,257,873	3,233	3,233
2020	32 ³	August	\$848,598,406	43,804	43,796
2020	33	August	\$14,473,787	765	765
Total			\$9,510,899,537	380,530	349,917

¹ The week information provided in Figures 1 and 2 is based on the date of the PPP loan submission to the SBA in Kabbage's systems. That date is an approximation of the approval date because, in many cases, approval from the SBA was received shortly after submission.

² Kabbage submitted some PPP applications to the SBA more than once. This column reflects the total number of unique applicants.

³ Round 1 of the PPP closed on August 8, 2020. American Express understands that applications or loans submitted by Kabbage after this time were entered in the SBA's E-Tran system before it was shut down at the end of round 1 and continued to be processed by E-Tran.

Figure 2.

Year	Week	Month	Total Loan Amount	Unique PPP Loans	Unique PPP Applicants
2020	16	April	\$269,965,725	5,645	5,645
2020	17	April	\$235,834	2	2
2020	18	April	\$1,652,428,904	38,857	38,857
2020	18	May	\$408,213,121	11,354	11,354
2020	19	May	\$501,642,304	25,438	25,438
2020	20	May	\$237,939,409	11,848	11,848
2020	21	May	\$262,316,546	12,466	12,466
2020	22	May	\$217,940,676	10,207	10,207
2020	23	May	\$13,702,251	658	658
2020	23	June	\$172,879,814	7,615	7,615
2020	24	June	\$202,800,328	10,250	10,250
2020	25	June	\$335,774,184	13,998	13,998
2020	26	June	\$522,175,668	23,022	23,022
2020	27	June	\$240,134,881	11,499	11,499
2020	27	July	\$4,343,130	324	324
2020	28	July	\$183,096,768	11,367	11,367
2020	29	July	\$185,295,782	11,947	11,947
2020	30	July	\$228,187,794	16,024	16,024
2020	31	July	\$212,413,379	15,139	15,139
2020	31	August	\$25,723,837	1,744	1,744
2020	32	August	\$352,150,239	23,663	23,663
2020	33	August	\$4,920,653	442	442
Total			\$6,234,281,228	263,509	263,509

* * *

Interrogatory No. 5: *Please provide a list of all fraud checks conducted by Kabbage on PPP loan applications, a description of how each check serves to detect and prevent fraud, and the average time taken to approve or reject a PPP loan application.*

Interrogatory No. 6: *Please provide a list of all fraud checks conducted by Kabbage on loan applications unrelated to PPP, a description of how each check serves to detect and prevent fraud, and the average time taken to approve a loan application unrelated to PPP.*

Interrogatory No. 8: *Please provide a description of what indicators and information Kabbage’s automated systems use to detect fraud or money laundering and how many and what percentage of applications were rejected through this system; please also describe what indicators trigger these automated systems to escalate an application for human review and what percentage of those escalations resulted in rejected applications.*

Response to Interrogatory Nos. 5, 6, and 8:

American Express is providing an overview of Kabbage's fraud-related checks and suspicious activity reporting, based on discussions with employees and certain Kabbage policy documents. The controls and processes discussed herein are also described in detail in various documents that were produced to you on July 9, 2021 and in the enclosed production file, including Kabbage's Overview of Paycheck Protection Program BSA/AML Procedures (previously produced as AMEX-SSCC-00000820-33) and BSA/AML and OFAC Policy (AMEX-SSCC-00001708-28).

PPP Fraud-Related Checks

Applicants were required to complete Kabbage's PPP application online, after creating a user account. Applicants were also required to submit all supporting documentation for PPP applications online. After a PPP loan applicant completed Kabbage's PPP application and submitted it to Kabbage, application information was automatically uploaded to Kabbage's internal systems.⁴

For submitted applications, Kabbage had automated checks for eligibility based on whether the applicant had a prohibited business type and the SBA's eligibility criteria (as determined by applicants' responses to eligibility questions in the PPP application). For eligible applicants, Kabbage ran certain automated fraud checks, which included the following and could result in manual review⁵ of an application and requests for further documentation from the applicant:

- Checks against **Office of Foreign Assets Control ("OFAC") sanctions lists and lists of politically exposed persons ("PEPs")** using a tool called GIACT. Applications that potentially matched to OFAC and PEP lists were flagged for further review by Kabbage's Application Review team. If the match was determined to be a true hit, Kabbage's policy was to report it to Kabbage's PPP bank partners and/or the OFAC hotline within 10 days. However, American Express understands that no true hits were identified. If the match was determined to be a false positive, Kabbage's policy was for the application to move forward in the application process (the next stage of which was payroll verification to calculate the loan amount for which the applicant was eligible).
- **Know Your Customer/Know Your Business ("KYC/KYB") checks** conducted through LexisNexis to verify the existence of the relevant business applying for a PPP loan and validate the information provided about the business. LexisNexis provided verification scores for the business applicant, the authorized representative, and up to five ultimate beneficial owners who owned 20% or more of the relevant business. Applications

⁴ See AMEX-SSCC-00002042 for further detail about the PPP application flow.

⁵ Manual review also may have been required if an application could not be processed automatically, separately from automated fraud checks.

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with a verification score below a certain threshold were rejected. Specifically:

- If the LexisNexis Business Verification Index (“BVI”) score or Customer Verification Index (“CVI”) score was greater than or equal to 40, the application was permitted to move forward in the application process.
- Applications with a BVI of less than 40 but greater than 20 were subject to additional KYC/KYB checks through a tool called CLEAR. If the business’s CLEAR score was greater than 70, the application was permitted to move forward in the application process. If the CLEAR score was less than or equal to 70, the application was flagged for further review by Kabbage’s Account Review team.
- Applications with a CVI score less than or equal to 30 (or less than or equal to 20 prior to April 24, 2020) were flagged for further review by the Account Review team.
- Applications with a BVI score of 20 or 30 and a CVI score equal to 30 (or 20 prior to April 24, 2020) were flagged for further review. Such applications first went through Sentilink and Emailage checks, described further below. If an application’s scores for both Sentilink and Emailage were medium or low, the application was able to move forward in the application process.
- If either the Sentilink or Emailage score was very high or high, the application was flagged for further review by the Account Review team.
- If an application’s BVI and CVI were 0 to 10, the application was flagged for further review by the Account Review team.
- If an application failed Kabbage’s checks after a manual review by the Application Review team, Kabbage rejected the application.
- For manual application reviews, if LexisNexis data was not available, Kabbage used a tool called TLO that provides business, personal, and social media records for KYC/KYB.
- Checks for a **synthetic identity** using Sentilink and Emailage. Sentilink is a tool used to identify fabricated or manipulated identities. Emailage is a tool used to identify suspicious email addresses, for example email addresses used to commit fraud in the past or recently created (potentially for the purpose of obtaining a PPP loan). If either Sentilink or Emailage returned a high score for a synthetic identity, Kabbage’s Fraud Review team would further review the application. Kabbage permitted the application to

move forward in the application process while under review by the Fraud Review team, but PPP funds could not be disbursed to the applicant unless a Fraud Review team member reviewed and cleared the flag on the application.

- Checks through ThreatMatrix (provided by LexisNexis) of an applicant's **digital identity** (based on device information, IP address, and email address). Kabbage used ThreatMatrix to create a profile for each device used to apply for a PPP loan. If Kabbage detected multiple applications originating from the same device, or if a device was linked to another application that previously had been flagged as suspicious, all applications associated with that device would be escalated for manual review. If Threatmetrix results indicated that the device had been associated with other applicants with a high Emailage or Sentilink score, Kabbage's Fraud Review team would further review the associated applications.
- Checks to identify **falsified documents**. Kabbage used Inscribe specifically for manual application reviews to identify electronic documents that may have been falsified, for example because they were manually edited or modified.⁶
- Beginning in July 2020, a **required manual review for PPP applications for loan amounts greater than \$150,000**.
- Beginning in August 2020, **checks for fraudulent documentation used OCR technology**. Kabbage used OCR to extract information from certain supporting tax documentation submitted with PPP loan applications. Kabbage implemented checks to detect, for example, if multiple applications were submitted with similar copies of Form 1040C (specifically if Box 7 and Box 31 of one application matched another) or W-3 (specifically if Box 1 and Box 3 or Box 5 of one application matched another), or if Kabbage detected a pattern of similar applications based on which fields were left blank or the formatting of Form 1040C or W-3. Such applications would be escalated for manual review.

More detail is provided about the scoring and other factors taken into account by the checks above in Kabbage's Overview of Paycheck Protection Program BSA/AML Procedures. These fraud-related checks were rolled out or enhanced over the course of round 1 of the PPP. For all applications submitted on or prior to April 17, 2020, these checks were completed after submission to the SBA through E-Tran but prior to loan disbursement. After that point, the checks were conducted prior to submission through E-Tran.

⁶ American Express understands that Inscribe was also used for this purpose for certain batch uploads of payroll documents performed early in the PPP test the optimal use of Inscribe.

Kabbage also conducted criminal history checks using LexisNexis RiskView on any authorized representatives or any owners with 20% or greater interest in the business to identify any criminal history in the prior five years, which would render an applicant ineligible under the SBA's rules. These checks were run before submission of an application to the SBA through E-Tran. If a potential criminal history were identified, a flag would be placed on the application to stop it from proceeding, if the SBA provided a loan number for the application. If the criminal history was confirmed following secondary checks, Kabbage would cancel the PPP loan application.

As noted above, following fraud checks, applications may have been flagged for manual review and would have needed to be cleared before continuing in the application process. In some cases, Kabbage might need to request further documentation before resolving the issue. If the applicant submitted sufficient documentation to resolve the issues, the applicant could resume the application process. If the issues with the applications could not be resolved, Kabbage's policy was to reject the application and file a suspicious activity report ("SAR") with FinCEN and/or a questionable activity report ("QAR") with a bank partner (which might then file a SAR), as discussed further below.

In addition, further identity verification was required for all PPP loan recipients in order to complete the PPP loan guarantee. Kabbage conducted Knowledge-Based Authentication ("KBA"). When logging into Kabbage's PPP dashboard, if Kabbage detected a login from a device other than the one used to create the account, the customer was required to complete multi-factor authentication. In addition, applicants were required to complete the guarantee using DocuSign in order to obtain the PPP funds. To complete the DocuSign process, applicants had to answer four or more of six KBA questions. This check was intended to prevent individuals using a stolen identity to obtain PPP loan disbursements from completing the DocuSign process. If a customer was not able to answer the KBA questions after three attempts, the issue was escalated to the Account Review team for further review.

American Express is working to obtain additional information in response to Interrogatory No. 8, specifically regarding applications rejected by Kabbage (also responsive to Interrogatory No. 3) and applications escalated for manual review.

Non-PPP Fraud-Related Checks

American Express understands that Kabbage's fraud checks implemented for the PPP met SBA guidance, and met a higher threshold than the regulatory requirements for Kabbage's pre-PPP lending activities. Accordingly, although Kabbage conducted KYC/KYB for non-PPP customers, it implemented higher thresholds for KYC/KYB for PPP applicants. For example, for non-PPP customers, the applicable thresholds for KYC/KYB before requiring Emailage and Sentilink checks were a CVI greater than or equal to 30 and BVI greater than or equal to 20. As described above, these thresholds were increased for the PPP. In addition, KYC/KYB requirements were applied to pre-PPP ultimate beneficial owners with a 25% or greater ownership interest in a loan applicant; for the PPP, such requirements applied to beneficial owners with 20% or greater ownership of a business.⁷ Kabbage's risk rating process also differed for the PPP.

⁷ See AMEX-SSCC-00001708 at -20.

Kabbage had a customer risk rating methodology for non-PPP products used at the time of onboarding based on four factors: entity type, industry type, geographic location, and marketing channel.⁸ For the PPP, rather than using these four factors to determine customer risk ratings, Kabbage relied on LexisNexis risk scores and, depending upon the score, escalated applications for manual review or used additional risk scoring tools as described above. As to device checks, Kabbage stopped PPP applications from any suspicious device, as described above, but for non-PPP customers only blocked onboarding for devices linked to known previous fraudulent activity. Kabbage also conducted Emailage checks on the front end of the application for the PPP, whereas such checks were conducted later in the onboarding process for non-PPP customers. The checks for applications with similar documents using OCR and the required manual review of applications for loan amounts greater than \$150,000 were implemented specifically for the PPP.

PPP SAR Filing Process

American Express provides additional information regarding Kabbage's SAR filing process for suspicious PPP applications and loans. This information provides additional context for the process of addressing and reporting fraud in the PPP and Request for Documents No. 2, which seeks "[a]ll documents and policies related to: (a) any system of preventive controls that Kabbage has used to deter and minimize fraud related to PPP loans; and (b) any system of detective controls Kabbage had in place to identify and respond to PPP loan fraud after it had occurred."

For any applications that were processed on behalf of a PPP bank partner, Kabbage submitted a QAR to the bank if it identified an application as suspicious. Kabbage also file SARs with FinCEN, in line with its obligations as a PPP lender. Initially, Kabbage filed individual SARs for each PPP application or loan identified as suspicious. Due to the volume of such issues, following discussions with FinCEN, Kabbage began filing SARs in batches addressing a population of applications or loans identified with similar indications of fraud, such as applications originating from suspicious devices. These batch SARs included rejected applications, pre-disbursement approved applications, and loans that had been disbursed and later identified as suspicious based on new information. In addition to filing a SAR, if Kabbage learned about fraud or suspicious activity after a loan had been disbursed, Kabbage's practice was to cooperate with any law enforcement requests and to file a request through its Financial Operations team with the relevant recipient bank to recall the PPP funds.

* * *

Request for Documents No. 1: *All documents and policies establishing or governing the process that Kabbage used to review and approve PPP loan applications.*

Request for Documents No. 2: *All documents and policies related to: (a) any system of preventive controls that Kabbage has used to deter and minimize fraud related to PPP loans; and (b) any system of detective controls Kabbage had in place to identify and respond to PPP loan fraud after it had occurred.*

⁸ See AMEX-SSCC-00001708 at -24-25.

Supplemental Response to Request for Documents Nos. 1 & 2:

As a supplement to American Express's July 9, 2021 production, the enclosed production volume includes additional policies and procedures concerning the topics identified in Request for Documents Nos. 1 and 2, bearing production control numbers AMEX-SSCC-00001682–2129. These documents were identified based on a review of centrally available materials provided by Kabbage to American Express in connection with the Acquisition. American Express will supplement this production if additional responsive materials are identified from other sources.

* * *

American Express continues to collect information and documents responsive to the Subcommittee's Letter and will produce additional responsive materials to you on a rolling basis.

* * *

The information in this letter and in the enclosed production includes confidential business and financial information that American Express considers proprietary and competitively sensitive, and that American Express actually and customarily treats as private. Disclosure of such information would harm American Express and undermine the competitive financial marketplace. These materials are labeled as "Confidential Treatment Requested," and American Express respectfully requests that these materials be treated as confidential under all applicable House and Subcommittee rules. If the Subcommittee should nonetheless consider publicly releasing such materials, American Express respectfully requests that it be given advance notice and an opportunity to discuss the matter with you, so that American Express may explain the basis for objecting to public release. Such treatment would be consistent with the respect for sensitive and proprietary business information the Subcommittee has shown in the past.

Additionally, this information and American Express's productions to the Subcommittee may contain material nonpublic information. Pursuant to the Stop Trading on Congressional Knowledge Act of 2012 ("STOCK Act"), Pub. L. 112-105, 126 Stat. 291, non-public information derived from a person's position as a Member of Congress or employee of Congress or gained from the performance of such person's official responsibilities may not be used as a means for making a private profit. Misuse of such information, including unauthorized disclosures to third parties outside of the Congress, may also give rise to liability under the securities laws, including section 10(b) of the Securities Exchange Act of 1934 and Rule 10b–5 thereunder.

If this letter or any of the enclosed materials become the subject of a request for public release, please contact me at [REDACTED], and we will provide further information in support of American Express's request for confidential treatment.

Sincerely,

/s/ Amanda Flug Davidoff

Amanda Flug Davidoff

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August 9, 2021

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Via E-mail

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

Re: May 27, 2021 Letter Concerning Kabbage, Inc.'s Paycheck Protection Program

Dear Chairman Clyburn,

I write on behalf of our client, American Express Travel Related Services Company, Inc. (“American Express”), in connection with your May 27, 2021 letter (the “Letter”) to Mr. Rob Frohwein, former Chief Executive Officer of Kabbage, Inc. (“Kabbage”), regarding Kabbage’s Paycheck Protection Program (“PPP”). We set forth below responses to Information Request Nos. 4 and 11. Unless otherwise noted, American Express’s responses in this letter relate to Kabbage’s business activities until October 16, 2020, when American Express acquired Kabbage’s general lending platform and certain related assets and liabilities from Kabbage (the “Acquisition”). The Acquisition did not include Kabbage’s historical loan portfolio and its loan servicing operations, including its Paycheck Protection Program portfolio and servicing obligations, which were retained by Kabbage (doing business as K Servicing since the closing of the Acquisition). American Express generally does not possess information regarding the post-Acquisition business activities of Kabbage.

As discussed most recently on our July 2, 2021 call, American Express will continue to search for and provide responsive materials to the extent these materials are in its possession, custody, or control and readily accessible.

* * *

Information Request No. 4: *How many Kabbage employees have been dedicated full time and exclusively to AML, BSA, or fraud compliance, including those employed full time to prevent, detect, or investigate potential fraud, broken down by week, from January 2019 to the present?*

Response to Information Request No. 4:

Information Request No. 4: *How many Kabbage employees have been dedicated full time and exclusively to AML, BSA, or fraud compliance, including those employed full time to prevent, detect, or investigate potential fraud, broken down by week, from January 2019 to the present?*

Response to Information Request No. 4:

American Express understands that Kabbage’s Risk team was the primary team responsible for conducting fraud reviews of PPP applications if Kabbage detected suspicious activity through its fraud checks. Beginning in March 2020, Kabbage suspended offering its core pre-PPP loan product and transitioned completely to facilitating PPP loans to small businesses (whether or not such small businesses were existing Kabbage customers). Similar to many companies whose business was significantly impacted by the COVID-19 pandemic, in May 2020 Kabbage experienced a reduction in force across the entire company, including Kabbage’s Risk team. By that time, because Kabbage had suspended offering its core pre-PPP loan product, when Kabbage began facilitating PPP loans in April 2020, Kabbage’s Risk team was working almost exclusively on PPP loan reviews and fraud compliance issues.

Kabbage’s separate Account Review team, which included fraud analysts, performed KYB/KYC reviews, among other tasks. Although this team was not focused exclusively on AML, BSA, or fraud-related issues, it was in a position to identify suspicious activity in the process of conducting manual reviews and would refer such issues to the Risk team for further review and therefore played an important role in Kabbage’s fraud controls.

The chart below reflects the number of employees on Kabbage’s Risk and Account Review teams from January 2019 to October 2020, based on available historical Kabbage employment records. The employees below remained approximately 14% of Kabbage’s total workforce in April 2020 and 18% of Kabbage’s total workforce after May 4, 2020, the date of the reduction in force.

Month ¹	Number of Employees on Kabbage’s Risk and Account Review Teams
Jan-19	51
Feb-19	54
Mar-19	57
Apr-19	59
May-19	61
Jun-19	70
Jul-19	73

¹ Some employees were hired or terminated during a given month and therefore were not employed by Kabbage for the entirety of the month.

Month ¹	Number of Employees on Kabbage's Risk and Account Review Teams
Aug-19	75
Sep-19	78
Oct-19	78
Nov-19	80
Dec-19	82
Jan-20	84
Feb-20	82
Mar-20	83
Apr-20	84
May-20	78
Jun-20	42
Jul-20	38
Aug-20	35
Sep-20	33
Oct-20	33 ²

In addition to the Kabbage teams described above, Kabbage engaged external vendors to assist with fraud, KYB/KYC, and/or manual reviews both before and during the PPP. One such vendor, URS Technologies Solutions, was contracted to provide 50 full-time equivalents, including five to fifteen full-time equivalents specifically to perform fraud reviews, under 2020 engagements. A second vendor, EXL Services, was contracted to provide 30 full-time equivalents for the purpose of manual reviews in 2020.

Finally, members of Kabbage's Legal & Compliance team also worked on AML, BSA, and/or fraud compliance-related work streams. This team included a Board-appointed Chief Compliance Officer, as well as a Board-appointed BSA/AML officer, who was responsible for day-to-day oversight of BSA/AML compliance. The Legal & Compliance team also included at least five other individuals who performed AML, BSA, and/or fraud-related work, including two Compliance specialists (one of whom previously worked on the Risk team). These Compliance specialists and other individuals from the Legal & Compliance team worked with members of the Risk and Account Review teams to conduct questionable and suspicious activity reporting.

* * *

Information Request No. 11: *Please provide a detailed description of any incentives or rewards provided to Kabbage employees processing PPP loan applications, including monetary bonuses and non-monetary rewards.*

Response to Information Request No. 11:

American Express understands that beginning on April 10, 2020 and through August 31, 2020, Kabbage offered \$50 gift cards to employees involved in manually reviewing

² This includes one individual hired in October 2020.

CONFIDENTIAL TREATMENT REQUESTED

PPP applications who completed the manual review of a packet of approximately 50 applications on a weekend day. Gift cards were offered to both salaried employees and employees paid by the hour. Gift cards were awarded for completing manual application reviews and was not based on approving applications. Such incentives were not offered for completing KYB/KYC or fraud-related reviews, which were handled by separate teams, as described above. In total, Kabbage distributed approximately \$24,675 in gift cards ranging in value from \$50 to \$1,400. Some employees received more than one gift card during that time period.

* * *

American Express continues to collect information and documents responsive to the Subcommittee's Letter and will produce additional responsive materials to you on a rolling basis.

* * *

The information in this letter and in the enclosed production includes confidential business and financial information that American Express considers proprietary and competitively sensitive, and that American Express actually and customarily treats as private. Disclosure of such information would harm American Express and undermine the competitive financial marketplace. These materials are labeled as "Confidential Treatment Requested," and American Express respectfully requests that these materials be treated as confidential under all applicable House and Subcommittee rules. If the Subcommittee should nonetheless consider publicly releasing such materials, American Express respectfully requests that it be given advance notice and an opportunity to discuss the matter with you, so that American Express may explain the basis for objecting to public release. Such treatment would be consistent with the respect for sensitive and proprietary business information the Subcommittee has shown in the past.

Additionally, this information and American Express's productions to the Subcommittee may contain material nonpublic information. Pursuant to the Stop Trading on Congressional Knowledge Act of 2012 ("STOCK Act"), Pub. L. 112-105, 126 Stat. 291, non-public information derived from a person's position as a Member of Congress or employee of Congress or gained from the performance of such person's official responsibilities may not be used as a means for making a private profit. Misuse of such information, including unauthorized disclosures to third parties outside of the Congress, may also give rise to liability under the securities laws, including section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.

If this letter or any of the enclosed materials become the subject of a request for public release, please contact me at [REDACTED], and we will provide further information in support of American Express's request for confidential treatment.

Sincerely,

/s/ Amanda Flug Davidoff

Amanda Flug Davidoff

August 12, 2021

Re: May 27, 2021 Document and Information Request

The Honorable James E. Clyburn
U.S. House of Representatives
274 Cannon House Office Building
Washington, DC 20515

cc: The Honorable Steve Scalise
U.S. House of Representatives
2049 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Clyburn,

On behalf of our client, Kabbage, Inc. ("Kabbage" or the "Company"), we are responding to the Select Subcommittee's May 27, 2021 Letter concerning the Paycheck Protection Program ("PPP"). Kabbage understands and appreciates the Select Subcommittee's oversight role and looks forward to continuing to work with the Select Subcommittee to address its questions.

Kabbage addresses below certain document and information requests as well as certain requests for written responses. For those requests that remain outstanding, Kabbage anticipates being able to provide responses on a rolling basis beginning within the next 60 days.

* * *

Document and Information Requests

Kabbage is producing herewith a training document related to fraud control and prevention in connection with the forgiveness process, used by Vital Solutions, Inc., a third party with whom Kabbage contracted in 2020 to provide call center services, at KAB_SUBC_0000000100 in response to Request 4.

Written Response Requests

Kabbage's responses to the Select Subcommittee's requests are below.

- 2. How many PPP loan applications and loans have been approved, issued, or otherwise facilitated by Kabbage, broken down by week, from April 2020 to the present?***

In response to Request 2, Kabbage refers the Select Subcommittee to the charts included herewith as Appendix A, which provides a breakdown of all PPP loans that were issued by Kabbage, on a weekly basis, from April 2020 to present.

3. How many PPP loan applications have been denied or rejected by Kabbage, broken down by week, from April 2020 to the present, and what was the reason for denial or rejection?

In response to Request 3, Kabbage refers the Select Subcommittee to the charts included herewith as Appendix B and Appendix C. Appendix B provides a breakdown of all PPP applications processed by Kabbage, on a weekly basis from April 2020 to present, and their final SBA status, including rejection based upon submission errors, cancellation of the application, or expiration of the time to complete an application. Appendix C provides descriptions of the SBA status codes reflected in Appendix B. Appendix D sets forth a representative list of the reasons or validation errors received from the SBA for applications that were rejected by SBA upon submission.

5. Please provide a list of all fraud checks conducted by Kabbage on PPP loan applications, a description of how each check serves to detect and prevent fraud, and the average time taken to approve or reject a PPP loan application.

As an authorized lender, Kabbage is required to and does maintain a formalized compliance program designed to ensure that all of Kabbage's PPP loan applicants satisfy the requirements under the Company's Bank Secrecy Act, Anti-Money Laundering, and Sanctions Program ("BSA/AML Program"). Accordingly, in response to Request 5 Kabbage refers the Select Subcommittee to the Company's Paycheck Protection Program BSA/AML Procedures, available at KAB_SUBC_0000000019 and KAB_SUBC_0000000072.

In response to the request for the average time taken to approve or reject a PPP loan application, Kabbage refers the Select Subcommittee to the chart included herewith as Appendix E. Please note that the average time taken to process or fund a PPP loan application varies substantially, and is often dictated by the time it takes the borrower to submit all required documentation.

6. Please provide a list of all fraud checks conducted by Kabbage on loan applications unrelated to PPP, a description of how each check serves to detect and prevent fraud, and the average time taken to approve a loan application unrelated to PPP.

Kabbage does not have sufficient information within its possession, custody, or control to provide a comprehensive response to Request 6 with respect to non-PPP loan applications. To the best of the Company's knowledge, however, Kabbage refers the Select Subcommittee to the Company's Enterprise BSA/AML and Office of Foreign Assets Control Policy dated July 24, 2019, available at KAB_SUBC_0000000035. Please note that Kabbage was a loan service provider and not a direct lender prior to the PPP program.

8. Please provide a description of what indicators and information Kabbage's automated systems use to detect fraud or money laundering and how many and what percentage of applications were rejected through this system; please also describe what indicators trigger these automated systems to escalate an application for human review and what percentage of those escalations resulted in rejected applications.

Kabbage does not have sufficient information within its possession, custody, or control to provide a comprehensive response to Request 8. To the best of the Company's knowledge, however, the systems that were used to detect potential fraud or money laundering are outlined in the Company's Paycheck Protection Program BSA/AML Procedures, available at KAB_SUBC_0000000019 and KAB_SUBC_0000000072. Please note that Kabbage does not have information regarding the percentage of applications rejected through these systems; what additional indicators may have been used to trigger escalation for manual review; or what percentage of those escalations resulted in rejected applications, as the persons who would have this knowledge have since left the Company and/or are now employed by American Express, and the coding that would have generated these triggers is now owned by American Express and not accessible to Kabbage.

* * *

This response, including the information set forth in this letter and in the documents being produced herewith, is submitted solely for the use of the Select Subcommittee in connection with the above-referenced investigation. Because this response contains confidential business information, the disclosure of which could violate proprietary rights, constitute an invasion of personal privacy, or grant competitors of Kabbage an unfair advantage, we request confidential treatment to the fullest extent possible for this letter and the accompanying documents. We further request that the Select Subcommittee (1) refuse to grant third-party requests for access to the information contained here; (2) notify Kabbage, by undersigned counsel, of any requests by any person, agency or entity to review, copy or otherwise obtain the information contained here; and (3) provide Kabbage with an opportunity to substantiate its claims of confidentiality before any such information may be released. If you have any questions, please do not hesitate to contact me at [REDACTED] or the email address provided above.

Very truly yours,

/s/ Paul J. Nathanson

Paul J. Nathanson

Enclosures (by Secure File Transfer)

Appendix A

PPP Loans Funded Weekly				
Year	Week No.	Week Start	Week End	Loans Funded
2020	14	2020-03-30	2020-04-05	
2020	15	2020-04-06	2020-04-12	
2020	16	2020-04-13	2020-04-19	1,243
2020	17	2020-04-20	2020-04-26	4,254
2020	18	2020-04-27	2020-05-03	6,954
2020	19	2020-05-04	2020-05-10	44,217
2020	20	2020-05-11	2020-05-17	29,331
2020	21	2020-05-18	2020-05-24	13,926
2020	22	2020-05-25	2020-05-31	10,707
2020	23	2020-06-01	2020-06-07	9,609
2020	24	2020-06-08	2020-06-14	5,695
2020	25	2020-06-15	2020-06-21	12,946
2020	26	2020-06-22	2020-06-28	21,995
2020	27	2020-06-29	2020-07-05	14,660
2020	28	2020-07-06	2020-07-12	9,482
2020	29	2020-07-13	2020-07-19	12,722
2020	30	2020-07-20	2020-07-26	13,646
2020	31	2020-07-27	2020-08-02	15,667
2020	32	2020-08-03	2020-08-09	18,823
2020	33	2020-08-10	2020-08-16	10,305
2020	34	2020-08-17	2020-08-23	2,411
2020	35	2020-08-24	2020-08-30	276
2020	36	2020-08-31	2020-09-06	
2020	37	2020-09-07	2020-09-13	
2020	38	2020-09-14	2020-09-20	
2020	39	2020-09-21	2020-09-27	1
2020	40	2020-09-28	2020-10-04	
2020	41	2020-10-05	2020-10-11	
2020	42	2020-10-12	2020-10-18	
2020	43	2020-10-19	2020-10-25	
2020	44	2020-10-26	2020-11-01	
2020	45	2020-11-02	2020-11-08	
2020	46	2020-11-09	2020-11-15	
2020	47	2020-11-16	2020-11-22	
2020	48	2020-11-23	2020-11-29	
2020	49	2020-11-30	2020-12-06	

2020	50	2020-12-07	2020-12-13	
2020	51	2020-12-14	2020-12-20	
2020	52	2020-12-21	2020-12-27	
2020	53	2020-12-28	2021-01-03	
2020 Total				258,870
2021	1	2021-01-04	2021-01-10	
2021	2	2021-01-11	2021-01-17	
2021	3	2021-01-18	2021-01-24	
2021	4	2021-01-25	2021-01-31	4,575
2021	5	2021-02-01	2021-02-07	18,419
2021	6	2021-02-08	2021-02-14	8,766
2021	7	2021-02-15	2021-02-21	6,000
2021	8	2021-02-22	2021-02-28	3,669
2021	9	2021-03-01	2021-03-07	2,472
2021	10	2021-03-08	2021-03-14	3,295
2021	11	2021-03-15	2021-03-21	2,349
2021	12	2021-03-22	2021-03-28	1,018
2021	13	2021-03-29	2021-04-04	345
2021	14	2021-04-05	2021-04-11	108
2021	15	2021-04-12	2021-04-18	41
2021	16	2021-04-19	2021-04-25	75
2021	17	2021-04-26	2021-05-02	52
2021	18	2021-05-03	2021-05-09	51
2021	19	2021-05-10	2021-05-16	16
2021	20	2021-05-17	2021-05-23	25
2021	21	2021-05-24	2021-05-30	7
2021	22	2021-05-31	2021-06-06	7
2021	23	2021-06-07	2021-06-13	41
2021	24	2021-06-14	2021-06-20	70
2021	25	2021-06-21	2021-06-27	4
2021	26	2021-06-28	2021-07-04	4
2021	27	2021-07-05	2021-07-11	2
2021	28	2021-07-12	2021-07-18	17
2021	29	2021-07-19	2021-07-25	1
2021	30	2021-07-26	2021-08-01	2
2021	31	2021-08-02	2021-08-08	1
2021 Total				51,432
Grand Total				310,302

Appendix B

PPP Applications Processed & Final SBA Status							
Year	Week No.	Week Start	Week End	Rejected	Submission Error	Canceled	Expired
2020	14	2020-03-30	2020-04-05				
2020	15	2020-04-06	2020-04-12				
2020	16	2020-04-13	2020-04-19	1,212	355	1	
2020	17	2020-04-20	2020-04-26		4,159		
2020	18	2020-04-27	2020-05-03	44,661	9,541	552	2,232
2020	19	2020-05-04	2020-05-10	36,167	6,111	265	2,542
2020	20	2020-05-11	2020-05-17	7,204	1,116	78	12
2020	21	2020-05-18	2020-05-24	7,281	8,203	255	10
2020	22	2020-05-25	2020-05-31	1,912	15,921	1,004	660
2020	23	2020-06-01	2020-06-07	2,659	10,647	348	7,544
2020	24	2020-06-08	2020-06-14	11,439	14,484	127	2,655
2020	25	2020-06-15	2020-06-21	3,769	20,351	1,329	7,374
2020	26	2020-06-22	2020-06-28	6,970	12,668	1,219	1,651
2020	27	2020-06-29	2020-07-05	8,372	20,083	225	2,180
2020	28	2020-07-06	2020-07-12	3,957	18,031	563	5,172
2020	29	2020-07-13	2020-07-19	3,799	16,614	641	11,426
2020	30	2020-07-20	2020-07-26	6,500	10,956	594	7,847
2020	31	2020-07-27	2020-08-02	18,230	12,962	547	6,125
2020	32	2020-08-03	2020-08-09	7,627	17,445	583	5,592
2020	33	2020-08-10	2020-08-16	1	24,315	2,706	6,296
2020	34	2020-08-17	2020-08-23		25,493	40	16,617
2020	35	2020-08-24	2020-08-30		32,012	18	16,125
2020	36	2020-08-31	2020-09-06		37,719	2	150
2020	37	2020-09-07	2020-09-13		20,492		
2020	38	2020-09-14	2020-09-20		241		
2020	39	2020-09-21	2020-09-27		170		
2020	40	2020-09-28	2020-10-04		140	5	
2020	41	2020-10-05	2020-10-11		122		
2020	42	2020-10-12	2020-10-18		71		
2020	43	2020-10-19	2020-10-25				
2020	44	2020-10-26	2020-11-01				
2020	45	2020-11-02	2020-11-08				
2020	46	2020-11-09	2020-11-15				
2020	47	2020-11-16	2020-11-22				
2020	48	2020-11-23	2020-11-29				
2020	49	2020-11-30	2020-12-06				
2020	50	2020-12-07	2020-12-13				
2020	51	2020-12-14	2020-12-20				
2020	52	2020-12-21	2020-12-27				
2020	53	2020-12-28	2021-01-03				
2020 Total				171,760	340,422	11,102	102,210
2021	1	2021-01-04	2021-01-10				
2021	2	2021-01-11	2021-01-17				
2021	3	2021-01-18	2021-01-24	63	1,049		
2021	4	2021-01-25	2021-01-31	137	1,551	97	1

2021	5	2021-02-01	2021-02-07	261	3,400	76	108
2021	6	2021-02-08	2021-02-14	234	1,666	45	123
2021	7	2021-02-15	2021-02-21	100	749	17	58
2021	8	2021-02-22	2021-02-28	60	463	7	32
2021	9	2021-03-01	2021-03-07	84	551	10	47
2021	10	2021-03-08	2021-03-14	89	776	12	58
2021	11	2021-03-15	2021-03-21	28	135	14	12
2021	12	2021-03-22	2021-03-28	22	111	6	24
2021	13	2021-03-29	2021-04-04	23	84	7	3
2021	14	2021-04-05	2021-04-11		83		
2021	15	2021-04-12	2021-04-18	1	34	1	11
2021	16	2021-04-19	2021-04-25	1	11	6	
2021	17	2021-04-26	2021-05-02	1	29	1	
2021	18	2021-05-03	2021-05-09		54		
2021	19	2021-05-10	2021-05-16	40	41	1	
2021	20	2021-05-17	2021-05-23	6	40	1	
2021	21	2021-05-24	2021-05-30		20		
2021	22	2021-05-31	2021-06-06		19		
2021	23	2021-06-07	2021-06-13		16		
2021	24	2021-06-14	2021-06-20		10		
2021	25	2021-06-21	2021-06-27		10		
2021	26	2021-06-28	2021-07-04		13		
2021	27	2021-07-05	2021-07-11		14		
2021	28	2021-07-12	2021-07-18		7		
2021	29	2021-07-19	2021-07-25		8		
2021	30	2021-07-26	2021-08-01		13		
2021	31	2021-08-02	2021-08-08		11		
2021 Total				1,150	10,968	301	477
Grand Total				172,910	351,390	11,403	102,687

Appendix C

SBA Status Code Descriptions
Rejected: SBA rejected/denied the application
Submission Error: A data and/or technical error occurred and the submission to SBA failed
Canceled: An approved application was cancelled
Expired: After receiving SBA approval, the borrower did not provide required documents, did not sign the loan documents, or did not take the loan, therefore, after 20 days, the application expired.

Appendix D

SBA Rejected - Reasons/Validation Errors (Representative list of reasons/validation errors found in Responses received from the SBA for applications that were Rejected by SBA upon submission)
[{"Code": "504", "Reason": "Potential Match to Sanctions List Identified"}]
[{"Reason": "Disqualifying Bankruptcy Identified"}, {"Reason": "Applicant Name Discrepancy"}]
[{"Code": "501", "Reason": "Disqualifying Criminal History Identified"}, {"Code": "506", "Reason": "Dormant Business Identified"}]
[{"Reason": "Disqualifying Criminal History Identified"}]
[{"Reason": "Dormant Business Identified"}, {"Reason": "Applicant Tax ID Discrepancy"}]
[{"Reason": "Do Not Pay - Death Sources"}]
[{"Code": "501", "Reason": "Disqualifying Criminal History Identified"}, {"Code": "502", "Reason": "Disqualifying Bankruptcy Identified"}]
[{"Reason": "Applicant Tax ID Discrepancy"}]
[{"Reason": "Dormant Business Identified"}, {"Reason": "Disqualifying Business Formation Date Identified"}]
[{"Reason": "Dormant Business Identified"}]
[{"Code": "502", "Reason": "Disqualifying Bankruptcy Identified"}]
[{"Reason": "Potential Match to Sanctions List Identified"}]
[{"Code": "508", "Reason": "Applicant Name Discrepancy"}]
[{"Code": "507", "Reason": "Applicant Tax ID Discrepancy"}]
[{"Reason": "Applicant Name Discrepancy"}]
[{"Reason": "Disqualifying Criminal History Identified"}, {"Reason": "Disqualifying Bankruptcy Identified"}]
[{"Code": "501", "Reason": "Disqualifying Criminal History Identified"}]
[{"Reason": "Disqualifying Business Formation Date Identified"}]
[{"Code": "546", "Reason": "Do Not Pay - Death Sources"}]
[{"Code": "509", "Reason": "Disqualifying Business Formation Date Identified"}]
[{"Code": "516", "Reason": "Large Number of Employees at Residential Location"}]
[{"Reason": "Disqualifying Bankruptcy Identified"}]
[{"Reason": "Large Number of Employees at Residential Location"}]
[{"Code": "506", "Reason": "Dormant Business Identified"}]
[{"Code": "505", "Reason": "Applicant Potentially Deceased"}]
[{"Code": null, "Reason": "For Business, only one PPS loan can exist with DUNS value 003090497."}, {"Code": "509", "Reason": "Disqualifying Business Formation Date Identified"}]
[{"Code": "502", "Reason": "Disqualifying Bankruptcy Identified"}, {"Code": "509", "Reason": "Disqualifying Business Formation Date Identified"}]
[{"Code": "505", "Reason": "Applicant Potentially Deceased"}, {"Code": "509", "Reason": "Disqualifying Business Formation Date Identified"}]
[{"Code": "502", "Reason": "Disqualifying Bankruptcy Identified"}, {"Code": "508", "Reason": "Applicant Name Discrepancy"}]
[{"Code": null, "Reason": "Payroll Protection Loan is not allowed after the borrower applied for Restaurant Revitalization Fund"}]
[{"Code": "548", "Reason": "Do Not Pay - TOP and CAIVRS"}]
[{"Reason": "Disqualifying Business Formation Date Identified"}, {"Reason": "For Business, only one PPS loan can exist with DUNS value 117384534."}]
[{"Reason": "Dormant Business Identified", "StartDate": "01/31/2021", "EndDate": null}, {"Reason": "Disqualifying Business Formation Date Identified", "StartDate": "01/31/2021", "EndDate": null}]
[{"Code": "504", "Reason": "Potential Match to Sanctions List Identified"}, {"Code": "509", "Reason": "Disqualifying Business Formation Date Identified"}]
[{"Reason": "Applicant Tax ID Discrepancy"}, {"Reason": "Applicant Name Discrepancy"}]
[{"Reason": "Do Not Pay - Death Sources", "StartDate": "01/31/2021", "EndDate": null}]

[{"Reason": "Applicant Name Discrepancy", "StartDate": "01/31/2021", "EndDate": null}]
[{"Reason": "Dormant Business Identified"}, {"Reason": "Applicant Name Discrepancy"}]
[{"Reason": "Disqualifying Criminal History Identified", "StartDate": "01/31/2021", "EndDate": null}]
[{"Reason": "Disqualifying Bankruptcy Identified", "StartDate": "01/31/2021", "EndDate": null}]
[{"Reason": "Disqualifying Criminal History Identified"}, {"Reason": "For Business, only one PPS loan can exist with DUNS value 116209369."}]
[{"Reason": "Disqualifying Business Formation Date Identified", "StartDate": "01/31/2021", "EndDate": null}]
[{"Reason": "Potential Match to Sanctions List Identified", "StartDate": "01/31/2021", "EndDate": null}]
[{"Reason": "Applicant Potentially Deceased"}]
[{"Code": null, "Reason": "For Business, only one PPS loan can exist with DUNS value 117384534."}, {"Code": "509", "Reason": "Disqualifying Business Formation Date Identified"}]
[{"Code": "507", "Reason": "Applicant Tax ID Discrepancy"}, {"Code": "508", "Reason": "Applicant Name Discrepancy"}]

Appendix E

Round	Final Status		Number of Loans	Avg. Days: Submission to Final Status
PPP Round 1	Final SBA Status	Success/Approved	278,921	0.75
		Rejected	171,760	0.96
		SubmissionError	340,422	0.09
		Canceled	11,102	12.84
		Expired	102,210	21.36
		Funded	258,870	4.66
PPP Round 2	Final SBA Status	Success/Approved	54,499	3.77
		Rejected	1,150	6.50
		SubmissionError	10,968	0.01
		Canceled	301	5.77
		Expired	477	2.66
		Funded	51,432	6.00
PPP Round 1 & Round 2	Final SBA Status	Success/Approved	333,420	1.24
		Rejected	172,910	1.00
		SubmissionError	351,390	0.09
		Canceled	11,403	12.65
		Expired	102,687	21.27
		Funded	310,302	4.88
Note:	1. Averages are not weighted by any other attribute.			
	2. Submission means submission of an application to SBA.			

November 15, 2021

Re: May 27, 2021 Document and Information Request

The Honorable James E. Clyburn
U.S. House of Representatives
274 Cannon House Office Building
Washington, DC 20515

cc: The Honorable Steve Scalise
U.S. House of Representatives
2049 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Clyburn,

On behalf of our client, Kabbage, Inc. (“Kabbage” or the “Company”), we are responding to the Select Subcommittee’s May 27, 2021 Letter concerning the Paycheck Protection Program (“PPP”). Kabbage addresses below certain requests for written responses. The Company is continuing to work diligently to prepare a response to Request 7, and we will produce responsive information as soon as it is available.

* * *

Written Response Requests

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

Kabbage had two PPP lending partners: Customers Bank and Cross River Bank. Kabbage provided certain PPP loan-related services as an SBA-approved lender service provider of Customers Bank and Cross River Bank in connection with the PPP, including marketing, processing, and servicing PPP loans funded and issued by Customers Bank and Cross River Bank. Customers Bank and Cross River Bank have also purchased certain PPP loans originated by Kabbage. In addition, Kabbage customized its lending platform for Customers Bank and Cross River Bank in order to support their PPP lending programs.

With respect to revenue sharing agreements, Kabbage was entitled to receive certain one-time fees under its agreements with Customers Bank and Cross River Bank as compensation for the services that it provided with respect to the PPP loans that it processed and serviced on their behalf. These fees included “Agent Fees,” as set forth in the CARES Act and Economic Aid Act, and software as a service, or SaaS, fees. The fees were typically calculated as a percentage of the amount of the underlying loan being processed or serviced by Kabbage, or as a percentage of the associated loan processing fees. In addition, with respect to the loans that Customers Bank purchased from Kabbage, Kabbage was obligated under its agreements with Customers Bank to pay a portion of any loan processing fees that it received from the SBA

in connection with the purchased loans to Customers Bank, which, depending on the amount of the underlying loan, was typically calculated as either a percentage of the associated loan processing fees or a percentage of the undisbursed principal balance of the purchased loan.

With respect to liability sharing agreements, Kabbage entered into certain agreements with Customers Bank and Cross River Bank related to the PPP, which, among other things, allocate certain liabilities between the parties and identify the circumstances under which the parties would indemnify one another with respect to certain liabilities arising under those agreements.

* * *

This response, including the information set forth in this letter, is submitted solely for the use of the Select Subcommittee in connection with the above-referenced investigation. Because this response contains confidential business information, the disclosure of which could violate proprietary rights, constitute an invasion of personal privacy, or grant competitors of Kabbage an unfair advantage, we request confidential treatment for this letter to the fullest extent possible. We further request that the Select Subcommittee (1) refuse to grant third-party requests for access to the information contained here; (2) notify Kabbage, by undersigned counsel, of any requests by any person, agency or entity to review, copy or otherwise obtain the information contained here; and (3) provide Kabbage with an opportunity to substantiate its claims of confidentiality before any such information may be released. If you have any questions, please do not hesitate to contact me at [REDACTED] or the email address provided above.

Very truly yours,

/s/ Paul J. Nathanson

Paul J. Nathanson

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May 20, 2022

CONFIDENTIAL TREATMENT REQUESTED

Via E-mail and FTP

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

Re: May 27, 2021 Letter Concerning Kabbage, Inc.'s Paycheck Protection Program

Dear Chairman Clyburn,

I write on behalf of our client, American Express Travel Related Services Company, Inc. (“American Express”), in connection with your May 27, 2021 letter (the “Letter”) to Mr. Rob Frohwein,¹ former Chief Executive Officer of Kabbage, Inc. (“Kabbage”), regarding Kabbage’s Paycheck Protection Program (“PPP”), and your April 5 and May 6, 2022 e-mails with certain follow-up requests. Your April 5 e-mail requested that in connection with Document Request No. 3, American Express produce “all communications, records, and files related to” sixteen entities (the “Requested Entities”).² We are sending you via secure file transfer production volumes AMEX-SSCC-011 and AMEX-SSCC-012, containing materials bearing production

¹ Mr. Frohwein departed American Express on December 17, 2021.

² The Requested Entities are: Passport Pizza; Marvel Media LLC; Passport USA Inc.; Consolidated Brand Operations; Deely Nuts; Ritter Wheat Club; Seaweed Bleiman; Shaila Big Fresh Oranges; Tomato Cramber; D-Brands Inc.; Wiggins & Graham Enterprise LLC; Pink Lady Line; 114 Macon LLC; Beefy King; Bruce Reifenrath; and Strawberry Joseph Schrempp.

control numbers AMEX-SSCC-00023524–23839 and AMEX-SSCC-00023840–23942, which are responsive to this follow-up request, as described further below.

In addition, following our April 27 and May 11, 2022 phone calls, and to ensure that you have relevant information concerning Kabbage's retained obligations and access to its Paycheck Protection Program ("PPP") business records, American Express is providing additional information regarding the terms of the October 16, 2020 acquisition (the "Acquisition").

In the years preceding the onset of the COVID-19 pandemic, Kabbage developed an online financial services platform to serve small and medium-sized business ("SMB") customers (the "Kabbage Platform"). The principal focus of the Kabbage Platform was to process and service loans originated by Kabbage's partner, Celtic Bank, to SMB customers with an innovative and customer-friendly interface and experience. The Kabbage Platform also provided payment acceptance, customer invoicing and cash flow visualization tools to Kabbage's SMB customers, as well as point-of-sale financing for purchases made by Kabbage's SMB customers through Alibaba. In addition, Kabbage developed a business checking account product to be offered through the Kabbage Platform, which was launched in beta by the time of the Acquisition, and a credit card product, which ultimately was not launched broadly to Kabbage customers or acquired by American Express. Following the onset of the COVID-19 pandemic, Kabbage ceased new lending of its traditional SMB and point-of-sale loans on the Kabbage Platform (although Kabbage continued to service pre-existing loans). However, following the establishment of the PPP, Kabbage made modifications to the Kabbage Platform to enable the processing and, ultimately, direct lending of PPP loans by Kabbage and its PPP partner banks through August 2020. Upon the Acquisition, the Kabbage Platform was largely dormant for new lending. Rather, it was used for continued support to Kabbage Platform users' payment acceptance, customer invoicing and cash flow visualization tools.

In connection with the Acquisition, American Express expressly did not acquire any rights or interests in Kabbage's historical loan portfolio or its loan servicing operations, including the PPP portfolio and servicing obligations. These obligations were retained by Kabbage (doing business as K Servicing since the Acquisition). American Express also expressly did not acquire Kabbage's liabilities arising under, resulting from or related to Kabbage's historical loan portfolio or the PPP portfolio. Any regulatory obligations or issues related to Kabbage's PPP loans belong solely to Kabbage; American Express has had no communications with the SBA related to Kabbage's PPP loans or servicing obligations. Kabbage continues to operate today, and following the Acquisition, it participated in the second round of the PPP and the PPP forgiveness process, and it continues to service its PPP loan portfolio.

In connection with the Acquisition, Kabbage negotiated a license to access its historical business records for servicing the legacy Kabbage SMB and PPP loans and responding to government requests concerning specific PPP applicants and other customers, which we understand that Kabbage does regularly in the ordinary course of business. In contrast, American Express does not use Kabbage's loan records for any loan servicing-related purposes. Unlike Kabbage, American Express does not have, and never has had, any need to access specific PPP loan files on a regular basis, so such files are not readily accessible and require time to collect.

American Express has and will continue to cooperate with and respond to your requests and has sought to focus resources on information that may be available only to American Express, and not Kabbage, since the Acquisition so as to assist in providing information as quickly as possible. To provide further context, as part of the negotiated terms of the Acquisition, Kabbage represented that it had the resources it needed to fulfill the obligations that it retained following closing, including the servicing of its historical loan portfolios (including PPP loans). In fact, prior to closing, Kabbage was required to (i) develop a detailed program outlining how Kabbage would be able to satisfy its loan servicing obligations through a combination of retained employees, new hires, and outsourcing; and (ii) negotiate and execute an agreement with a third-party firm that would provide such outsourced resources to Kabbage following the closing. Pursuant to a Transition Services Agreement (“TSA”) negotiated between the parties prior to closing, American Express trained Kabbage personnel in how to access Kabbage’s business records and use the systems required to perform its loan servicing obligations. American Express also agreed to provide certain non-management former Kabbage employees who would be employed by American Express, primarily in customer services and collections, for a transitional period following the closing of the Acquisition to help Kabbage set up its independent servicing operations with its own employees and outsourced resources. American Express fulfilled all of its obligations under the TSA through the transitional period, which largely ended in March 2021. As a result of the training provided and Kabbage’s own transition plan, Kabbage has personnel knowledgeable about retrieving PPP loan records, in part for the purpose of responding to government requests. American Express understands that since the end of the transitional period, Kabbage has in fact produced loan files and other PPP-loan related documents and data to various government agencies.

As noted in our May 13, 2022 e-mail, American Express will continue to collect and produce documents responsive to your April 5 follow-up requests on a rolling basis, to the extent these materials are in its possession, custody, or control and accessible. As noted above and discussed on our April 27, 2022 call, many documents concerning the Requested Entities, including the loan files and related records, are not readily available to American Express. Therefore, American Express has prioritized responding to your April 5 follow-up requests with information and documents that are readily available.

* * *

Document Request No. 3: *All communications concerning potential fraud or other financial crime related to PPP loans, including, but not limited to, emails, persistent chat room logs and transcripts, direct electronic messages, and minutes of senior leadership meetings.*

Follow-Up Request on April 5, 2022: *As part of your continued response to Document Request 3, please prioritize the provision of all communications, records, and files related to Passport Pizza, Marvel Media LLC, Passport USA Inc., Consolidated Brand Operations, Deely Nuts, Ritter Wheat Club, Seaweed Bleiman, Shaila Big Fresh Oranges, Tomato Cramber, D-Brands Inc., Wiggins & Graham Enterprise LLC, Pink Lady Line, 114 Macon LLC, Beefy King, Bruce Reienrath, and Strawberry Joseph Schrempp. In addition to any communications concerning potential fraud related to these entities, please also produce documents and communications reflecting the date and time applications from these entities were received, the date and time the crime flags triggered, and the date and time the application received approval or were referred onward by Kabbage to a lender.*

Response to Document Request No. 3:

In further response to Document Request 3, the accompanying production includes non-privileged communications concerning the Requested Entities, bearing production control numbers AMEX-SSCC-00023526–23839 and AMEX-SSCC-000023840–23942.³

The enclosed production file also contains a spreadsheet (the “PPP Loan Data Spreadsheet”), bearing production control number AMEX-SSCC-00023524. Tab 1 of the PPP Loan Data Spreadsheet contains the data for the Requested Entities’ PPP loan applications from Round 1 of the PPP that were (i) completed and submitted to Kabbage, and (ii) decided by Kabbage (“Round 1 Data”). The Round 1 Data reflects information for the Requested Entities processed by Kabbage, including those for which a PPP Lending Partner served as the lender, and includes information from (i) Kabbage’s PPP loan platform, including information self-reported by the Requested Entities as part of the application process, and (ii) information from the decision file for the Requested Entities, which reflects information from the automated calculation and decision system including the inputs, intermediate values, and outputs that led to the final PPP loan amount. In some cases, a PPP loan application may have been submitted more than once. Where the PPP loan application received at least one SBA number, the PPP Loan Data Spreadsheet includes all submissions with SBA Loan Numbers.

Column F (“segment”) of the Round 1 Data reflects that the PPP loan applications for the Requested Entities were all submitted to the SBA and received an SBA loan number in Round 1 of the PPP. Column D (“status”) of the Round 1 Data reflects the final status in Kabbage’s system of each PPP loan application. For the Requested Entities, the “status” of the loan application is either “Success” or “Expired.” “Success” means that the loan application was accepted by the SBA and received a PPP loan number. “Expired” means that the PPP loan application expired because the customer did not complete authentication and signing of their PPP loan documents within the required timeframe. Each expired PPP loan received an SBA loan number, as indicated in Columns C (“sbaloannumber”) and F (“segment”).

Column I (“date”) provides the date on which Kabbage executed its decision on each of the Requested Entities’ PPP loan application, meaning when the PPP loan amount was calculated. Columns J through AM reflect payroll information obtained from payroll documentation, either via OCR or manual review or input. Columns AN through AT reflect data calculated or determined by Kabbage. Columns AU through BH reflect information derived from a PPP loan application for purposes of validation checks at the time that Kabbage executed its decision on the PPP loan application. Columns BI through BN reflect data points that were used in Kabbage’s payroll calculation. Columns BO through BQ reflect records from the decisioning system from the time that Kabbage executed its decision on the PPP loan application. Columns BS through CJ reflect information provided to the PPP loan applicant during the application

³ American Express’s November 18, 2021 letter provides further information about the scope of its review in responsive to Document Request No. 3.

process. A value of “1” in Column CL (“customerdisbursedflag”) indicates that the PPP loan was disbursed to the applicant.

Tab 2 of the PPP Loan Data Spreadsheet contains K Servicing’s PPP Round 2 loan data (“Round 2 Data”). The Round 2 Data is formatted in a manner substantially similar to the Round 1 Data, and the explanations regarding the Round 1 Data apply to the Round 2 Data.⁴ Column F (“segment”) reflects that the application for the Requested Entity that applied in Round 2 of the PPP was never submitted to the SBA.

The enclosed production volume also contains a second spreadsheet, bearing production control number AMEX-SSCC-00023525, that reflects any flags Kabbage placed on the account of a Requested Entity (the “Fraud Flags Spreadsheet”).⁵ Flags may have been placed on an account before the PPP, and may have related to suspected fraud or other issues. The Requested Entities may have had multiple flags placed at the same time, and therefore could have been suspended, rejected, or canceled for more than one reason. Tab 1 of the Fraud Flags Spreadsheet identifies, by applicant, the fraud flags that appeared on the Requested Entities’ account, which reflect whether Kabbage was continuing to process the loan. Column D (“ReasonID”) corresponds with Column E and reflects the numerical code that aligns with the system for a given flag reason. Column E (“ReasonName”) reflects the reason a flag was placed. Column F (“FlagPlacedDate”) reflects the date a flag was first placed on a given applicant. Column G (“FlagClearedDate”) reflects the date a flag was removed after manual review and investigation. If a flag was not cleared, the column says “Null.” Tab 2 of the Fraud Flags Spreadsheet provides a definition for each fraud flag.

As explained on our April 27, 2022 call, American Express does not have access to Kabbage’s written customer communications, including the communications with the Requested Entities, which were done through Salesforce, a third-party customer service ticketing platform. Salesforce contains information about consumer communications, including written e-mail communications and telephone calls. E-mail correspondence to customer-facing e-mail addresses was also routed to Salesforce. The e-mail correspondence, any subsequent correspondence with customers, and related internal communications are stored in Salesforce. American Express does not control Kabbage’s Salesforce platform, which remained with Kabbage following the Acquisition.

* * *

As explained in American Express’s November 18, 2021 letter, American Express is mindful of privacy and/or confidentiality issues associated with documents concerning individual PPP applications and loans, and legal restrictions on sharing information related to Suspicious Activity Reports (“SARs”) and Questionable Activity Reports (“QARs”). In an effort to cooperate with your investigation and provide documents concerning the Requested Entities, without running afoul of these legal restrictions, American Express has redacted or withheld

⁴ American Express understands that there are certain additional fields included in the Round 2 Data that Kabbage did not capture or include in its loan amount calculation for Round 1.

⁵ The underlying data in the Fraud Flag Spreadsheet is current as of mid-2021. Therefore, any subsequent 2021 data may not be complete as to Kabbage’s continuing loan servicing activities.

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non-public, personally identifying information (“PII”) of PPP applicants and information concerning SARs and QARs. The enclosed privilege log contains additional information on the documents that have been redacted or withheld. Redactions of PII for the Requested Entities are labeled with an anonymized identifier unique to each entity. Redactions concerning PPP applicants other than the Requested Entities, or related to SAR or QAR information, indicate the reason for redaction only.

* * *

American Express continues to review documents responsive to the Subcommittee’s April 5 requests and will produce additional responsive materials to you on a rolling basis.

* * *

The information in this letter and in the enclosed production includes confidential business and financial information that American Express considers proprietary and competitively sensitive, and that American Express actually and customarily treats as private. Disclosure of such information would harm American Express and undermine the competitive financial marketplace. Kabbage, which owns the loans to which the information pertains, likely also considers this information to be proprietary and competitively sensitive; and we believe that Kabbage also treats the information as private and considers that its disclosure would harm Kabbage and undermine competition. These materials are labeled as “Confidential Treatment Requested,” and American Express respectfully requests that these materials be treated as confidential under all applicable House and Subcommittee rules. If the Subcommittee should nonetheless consider publicly releasing such materials, American Express respectfully requests that it be given advance notice and an opportunity to discuss the matter with you, so that American Express may explain the basis for objecting to public release. Such treatment would be consistent with the respect for sensitive and proprietary business information the Subcommittee has shown in the past.

If this letter or any of the enclosed materials become the subject of a request for public release, please contact me at [REDACTED], and we will provide further information in support of American Express’s request for confidential treatment.

Sincerely,

/s/ Amanda Flug Davidoff

Amanda Flug Davidoff

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May 20, 2022

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Via E-mail and FTP

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

Re: May 27, 2021 Letter Concerning Kabbage, Inc.'s Paycheck Protection Program

Dear Chairman Clyburn,

I write on behalf of our client, American Express Travel Related Services Company, Inc. (“American Express”), in connection with your May 27, 2021 letter (the “Letter”) to Mr. Rob Frohwein,¹ former Chief Executive Officer of Kabbage, Inc. (“Kabbage”), regarding Kabbage’s Paycheck Protection Program (“PPP”), and your April 5 and May 6, 2022 e-mails with follow-up requests. We are sending you via secure file transfer production volume AMEX-SSCC-013, containing materials bearing production control numbers AMEX-SSCC-00023943–23947, which are responsive to the follow-up requests to Information Request Nos. 1 and 11.

Unless otherwise noted, American Express’s responses in this letter relate to Kabbage’s business activities until October 16, 2020, when American Express acquired Kabbage’s general lending platform and certain related assets and liabilities from Kabbage (the “Acquisition”). The Acquisition did not include Kabbage’s historical loan portfolio and its loan servicing operations, including its Paycheck Protection Program (“PPP”) portfolio and servicing obligations, which were retained by Kabbage (doing business as K Servicing since the closing of

¹ Mr. Frohwein departed American Express on December 17, 2021.

the Acquisition). American Express generally does not possess information regarding the post-Acquisition business activities of Kabbage.

* * *

Information Request No. 1: *How much is Kabbage's total revenue from facilitating PPP loans to date?*

April 5, 2022 Follow-Up Request to Information Request No. 1: *To understand the full context of your response to Information Request 1, please provide a list of all owners of Kabbage, a full accounting of all ownership percent interest, and details of all past management roles of all owners. Include relevant information about vesting schedules, dates corresponding to the assumption of equity stakes, caveats/conditions of cashing out, and any borrowing against equity stakes. Please provide this information for the time period from 2019 to the completion of the acquisition and include details of all instances in which ownership, ownership percent interest, or management roles changed.*

Response to Information Request No. 1:

In response to your follow-up request to Information Request No. 1, the enclosed production includes spreadsheets containing information on the equity ownership of Kabbage in 2019 and prior to the Acquisition in 2020, bearing production control numbers AMEX-SSCC-00023943–23947. These spreadsheets were generated by Kabbage, and the information reflected in them has not been independently verified by American Express.

American Express understands that the only shareholders who held management roles at Kabbage at the time of the Acquisition were Robert Frohwein (Chief Executive Officer and Co-Founder), Kathryn Petralia (President and Co-Founder), and Jon Hoffman (Head of Credit Operations).

American Express reserves the right to supplement this response if additional responsive information is identified.

* * *

Information Request No. 11: *Please provide a detailed description of any incentives or rewards provided to Kabbage employees processing PPP loan applications, including monetary bonuses and non-monetary rewards.*

April 5, 2022 Follow-Up Request to Information Request No.11: *To follow up on your response to Information Request 11, please provide details of the compensation, including salary, bonuses, and equity, of Robert Frohwein, [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], and [REDACTED], for the years 2019, 2020, and 2021. Please provide the current salary and full compensation of any of the aforementioned individuals that are currently employed by American Express.*

Response to Information Request No. 11:

In further response to Information Request No. 11, American Express has prepared Figure 1, containing the compensation information for the individuals listed in your April 5, 2022 follow-up request. This figure is based on information that American Express has identified as of May 20, 2022. American Express reserves the right to supplement this response if additional responsive information is identified.

American Express has not included salary information for individuals listed in your request while employed by American Express. The salary information of American Express employees is confidential and competitively sensitive. Moreover, that information is not relevant to the issue of “fail[ing] to adequately screen PPP loan applications for fraud.” (Letter at 1.) As we have discussed, American Express did not acquire Kabbage’s PPP or other historical loan portfolios, which were expressly excluded from the Acquisition agreement. In fact, American Express and Kabbage began discussing a potential acquisition before Kabbage began participating in the PPP, and none of the terms of the Acquisition were contingent on Kabbage’s PPP lending activities.²

Figure 1.

Requested Individual	Kabbage Salary (2020)	Equity Ownership in Kabbage (2019-Acquisition)	Options (2019-2020)	Restricted Stock Units (2020)
[REDACTED]	\$450,000	2,681 Vested/Owned Preferred Series -D ³	1,843,610 (1,343,610 granted in 2019)	None
[REDACTED]	Not Employed	492,962 Vested/Owned Common Stock ⁵	None	None
[REDACTED]	\$425,000	564,318 Vested/Owned Common Stock	1,843,610 (1,343,610 granted in 2019)	None

² American Express’s May 20, 2022 letter accompanying production volumes AMEX-SSCC-011 and AMEX-SSCC-012 provides more information about the terms of the Acquisition and Kabbage’s retained obligations.

³ “Frohwein Family 2015 Trust” held 500,000 shares of Vested/Owned Common stock in Kabbage. “Raymond James & Associates Inc. CSDN FBO [REDACTED] RIRA U/A/D 5/27/16 A/C 2867A298” held 685,000 shares of Vested/Owned Common stock in Kabbage.

⁴ [REDACTED] was co-founder of Kabbage and was hired as Vice President of Development of Kabbage on December 23, 2010. In 2010, he was also Treasurer of Kabbage and on the Board of Directors. [REDACTED] resigned from Kabbage’s Board of Directors, including his role as Chairman, on February 3, 2015. He was not employed by Kabbage at the time of the Acquisition, but he did hold stock.

⁵ [REDACTED]

Requested Individual	Kabbage Salary (2020)	Equity Ownership in Kabbage (2019-Acquisition)	Options (2019-2020)	Restricted Stock Units (2020)
[REDACTED]	Not Employed	None	None	250,000 (156,250 cancelled; 93,750 vested)
[REDACTED]	\$360,500	None	115,000 (4,000 granted in 2019)	None
[REDACTED]	Not Employed	None	None	70,000 (52,500 cancelled; 17,500 vested)
[REDACTED]	\$175,000	None	7,500	None
[REDACTED]	\$313,000	None	191,000	None

* * *

American Express continues to review documents responsive to the Subcommittee’s April 5 requests and will produce additional responsive materials to you on a rolling basis.

* * *

The information in this letter and in the enclosed production includes confidential business and financial information that American Express considers proprietary and competitively sensitive, and that American Express actually and customarily treats as private. Disclosure of such information would harm American Express and undermine the competitive financial marketplace. Kabbage, which employed the individuals to which the information pertains, likely also considers this information to be proprietary and competitively sensitive; and we believe that Kabbage also treats the information as private and considers that its disclosure would harm Kabbage and undermine competition. These materials are labeled as “Confidential Treatment Requested,” and American Express respectfully requests that these materials be treated as confidential under all applicable House and Subcommittee rules. If the Subcommittee should nonetheless consider publicly releasing such materials, American Express respectfully requests that it be given advance

⁶ [REDACTED]

⁷ [REDACTED]

CONFIDENTIAL TREATMENT REQUESTED

notice and an opportunity to discuss the matter with you, so that American Express may explain the basis for objecting to public release. Such treatment would be consistent with the respect for sensitive and proprietary business information the Subcommittee has shown in the past.

If this letter or any of the enclosed materials become the subject of a request for public release, please contact me at [REDACTED], and we will provide further information in support of American Express's request for confidential treatment.

Sincerely,

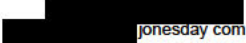
/s/ Amanda Flug Davidoff

Amanda Flug Davidoff

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September 9, 2022

By Email Only


U.S. House of Representatives
Select Subcommittee on the Coronavirus Crisis

Re: April 28, 2022 Request to Kabbage, Inc.

Dear :

On behalf of Kabbage, Inc. (“Kabbage” or the “Company”), enclosed are documents Bates-numbered KAB_SUBC_0000004188 through KAB_SUBC_0000004210, in response to Requests 1, 2, and 7 of your August 16, 2022, email containing follow-up questions about the operations and forgiveness processes at KServicing. Below, we also provide narrative responses to these questions.

As previously discussed, Kabbage will continue to produce information in response to your requests on a rolling basis. Please do not hesitate to contact us with any questions.

- 1. Provide details on the establishment and capitalization of K Servicing, including a description of the ownership structure of K Servicing and the company’s budget for 2019, 2020, 2021, and 2022.*

On October 16, 2020, American Express (“Amex”) acquired substantially all of the assets of Kabbage, although the Paycheck Protection Program (“PPP”) portfolio was specifically excluded from the transaction. Following the Amex acquisition, KServicing emerged as a loan servicing entity: its only purpose was to service remaining Kabbage PPP loans and wind down. This wind-down was anticipated from the time KServicing was established—it was never intended to be a long-term going concern.

Beyond the remaining PPP loans, KServicing has no revenue stream. The only components of the business that remain are the legacy loan (non-PPP) program and minimal interest earned.

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Enclosed please find documents Bates-numbered KAB_SUBC_0000004188 through KAB_SUBC_0000004192, which provide further information regarding the establishment and organization of KServicing. Please note that KServicing did not have a formal budget for 2019 through 2022.

2. *Provide K Servicing's capitalization tables, articles of incorporation, bylaws, and all other similar formation and governance documents in effect from August 2020 to the present.*

Enclosed please find documents Bates-numbered KAB_SUBC_0000004193 through KAB_SUBC_0000004210, which reflect capitalization tables, bylaws, and additional formation and governance information for KServicing.


7. *K Servicing told the SSCC that it had "data sharing issues" with American Express, including the inability to quickly or fully access certain borrower information. K Servicing said that these issues were due to the actions, inactions, or policies of American Express. Please provide additional details about these issues, including when and for how long your activities were disrupted and the impact that these issues had on PPP applicants or forgiveness seekers.*

In connection with the October 16, 2020, transaction between Kabbage and Amex, a significant amount of data was transferred from Kabbage to Amex for holding. Amex continues to hold PPP-related data and documents as a repository for KServicing. Some PPP-related information is available only to Amex, some is available only to KServicing (e.g., forgiveness-related documents), and some is available to both. In the event that KServicing needs certain PPP-related information to conduct its business operations or respond to government inquiries, KServicing must request access to that data from Amex, which has been cooperative in these matters. Access can be slowed, however, by technology-related issues. No KServicing activities have been "disrupted" by these issues, and the data-sharing arrangement between Amex and KServicing has not impacted Kabbage borrowers.

* * *

The production of these materials is not intended to and does not waive any applicable privilege or other legal basis under which this information may be protected from disclosure. Kabbage reserves all rights and privileges with respect to the documents and information produced. Kabbage requests confidential treatment of this letter and the above-described materials, each of which has been designated "Confidential Treatment Requested," pursuant to all applicable statutes and regulations. This letter and the above-described materials are being provided in connection with your investigation and contain highly confidential business information, the release or publication of which would substantially harm Kabbage's business.

CONFIDENTIAL TREATMENT REQUESTED BY KABBAGE


Page 3 of 3

Therefore, Kabbage requests that this letter and the other data and information submitted to you be treated as confidential and destroyed or returned to the undersigned when you have completed your investigation.

Sincerely,



Andrew Lelling

Enclosures

cc: 

CONFIDENTIAL TREATMENT REQUESTED BY KABBAGE



OMB Control Number: 3245-0407
 Expiration Date: 10/31/2020

**CARES Act Section 1102 Lender Agreement –
 Non-Bank and Non-Insured Depository Institution Lenders**

Kabbage, Inc. (“Lender”) hereby agrees as a condition and in consideration of authorization by the United States Small Business Administration (“SBA”) and the Department of Treasury for Lender to make Paycheck Protection Program SBA-guaranteed financing available as part of the Coronavirus Aid, Relief, and Economic Securities Act (“CARES Act”) (P.L. 116-136) to eligible recipients, as follows (the “Agreement”):

1. Lender Eligibility Requirements

Depository or non-depository financing providers may be eligible to participate as lenders in the Paycheck Protection Program if they meet the criteria described in the attestations below.

Lender must attest to all of the statements in either Group A or Group B below.

Group A. Lender attests that it:	Initial below
Is a depository or non-depository financing provider; AND	
Originates, maintains, and services business loans or other commercial financial receivables or participation interests; AND	
Has a formal compliance program relating to, e.g., auditing and compliance with applicable laws; AND	
Applies the requirements under the BSA as a federally regulated financial institution, or the BSA requirements of an equivalent federally regulated financial institution; AND	
Has been operating since at least February 15, 2019; AND	
Has originated, maintained, and serviced more than \$50 million in business loans or other commercial financial receivables during a consecutive 12 month period in the past 36 months.	

Group B. Lender attests that it is:	Initial below
A service provider to an insured depository institution; AND	SA
Has a contract to support such institution’s lending activities in accordance with 12 U.S.C. § 1867(c).	SA

Lender Information (Please Provide as Applicable):

Institution Name	Kabbage, Inc.	
Headquarters (City, State)	Atlanta, GA	
IRS Employer Identification No.	[REDACTED]	
State of Incorporation or Organization	Delaware	
Primary Regulator in State of Incorporation or Organization	n/a; see cover letter	
Primary Contact Name	[REDACTED]	
Phone Number	[REDACTED]	
E-mail	[REDACTED]@kabbage.com	
Website	www.kabbage.com	
State ID Number Issued by Primary State Regulator	n/a; see cover letter	
Central Index Key (CIK)	n/a; not publicly traded	
Business loans or other commercial financial receivables originated and serviced:		
Originated during the year:	\$ Amount:	Number of Loans
2019	0	0
2018	0	0
2017	0	0
Serviced as of year-end:	\$ Amount:	Number of Loans
2019	Approx. \$2.8B	Approx. 476,000
2018	Approx. \$2.0B	Approx. 328,000
2017	Approx. \$1.5B	Approx. 251,000
Estimated number of small businesses served in past 12 months through a loan, payment, or other financial service customer relationship	Approx., 103,000	
Explanation (if applicable) of estimated number of small businesses served (500 character max)	From March 2019 to February 2020, 103,000 small businesses received a loan or made a payment on a loan from Celtic Bank through a loan program supported and serviced by Kabbage as an agent and service provider to Celtic Bank	
Is the Lender a certified Community Development Financial Institution?	No	
For service providers to insured depository institutions under 12 U.S.C. § 1867(c), list the top 3 insured depository institutions for which such services are provided (by loan count)		
1.a. Institution Name	Celtic Bank	

1.b. RSSD ID	2998576
2.a. Institution Name	
2.b. RSSD ID	
3.a. Institution Name	
3.b. RSSD ID	
Is Lender subject to an enforcement action by its primary federal regulator that addresses unsafe or unsound lending practices?	n/a; Kabbage does not have a primary federal regulator with respect to its role as a service provider for Celtic Bank. See cover letter for additional details.
For lenders attesting to statements in Group B, within the past three years, has Lender been examined by the Federal Reserve, OCC, or FDIC in connection with Lender's role as a service provider under 12 U.S.C. § 1867(c)?	Yes; while not directly examined, the loan program for which Kabbage acts as a service provider to Celtic Bank has undergone an FDIC examination each year for the past three years and Kabbage's activities as service provider have been within the scope of such examination.
Is Lender presently suspended, debarred, proposed for debarment, or declared ineligible by any federal department or agency?	No
Is Lender presently the subject of any insolvency, bankruptcy or creditor's rights proceedings?	No
Is Lender presently subject to any indictment, or criminal or civil fraud charges brought in any jurisdiction?	No
Additional comments to clarify any information above (750 character max)	Kabbage does not originate loans. It acts as an agent and service provider to Celtic Bank, a federally-insured depository institution, in connection with loans originated by Celtic Bank. Accordingly, Kabbage is subject to regulation and examination by the FDIC, Celtic Bank's primary federal regulator, under 12 U.S.C. § 1867(c), but does not have a primary state regulator. Please see additional information in the accompanying cover letter.

2. Application for Guaranty. This Agreement governs only “covered loans,” duly approved under delegated authority hereafter for guaranty by SBA, that are subject to the Paycheck Protection Program under the CARES Act, section 7(a)(36) of the Small Business Act, any rules that have been issued by SBA implementing the Paycheck Protection Program, or any other applicable Loan Program Requirements, as defined in 13 CFR § 120.10, as amended from time to time (collectively “PPP Loan Program Requirements”).

3. Approval of Guaranty. Lender will process and approve covered loans under delegated authority from SBA. Lender assumes all obligations, responsibilities, and requirements associated with delegated processing of covered loans made under the Paycheck Protection

Program. Any change in the terms or conditions stated in the loan authorization shall be made in accordance with PPP Loan Program Requirements. For purposes of making covered loans to an eligible recipient under the Paycheck Protection Program, Lender is responsible, to the extent set forth in the PPP Loan Program Requirements, for all decisions concerning the eligibility (including size) of a borrower for a covered loan. Lender may issue a covered loan approved under PPP procedures without prior SBA review and approval of the processing and underwriting of the loan by executing a PPP Authorization.

4. Closing and Disbursement of Covered Loans. Lender must close and disburse each covered loan in accordance with the terms and conditions of the PPP Authorization and PPP Loan Program Requirements. Lender must ensure that a note and all other Loan Documents (as defined in this paragraph) and additional documents are properly executed and take such other actions necessary to fulfill the requirements of the Paycheck Protection Program. SBA is entitled, at any time, to examine and obtain copies of all notes, certifications and documentation (herein, collectively, called "Loan Documents"), and all other records held by Lender which relate to covered loans made pursuant to the Paycheck Protection Program.

5. Administration of Covered Loans. Lender will hold the Loan Documents and receive all payments of principal and interest unless Lender is required to transfer or assign the note to SBA or a third party at SBA's direction. Lender must service and liquidate all covered loans made under the Paycheck Protection Program in accordance with PPP Loan Program Requirements. Except when SBA directs otherwise, all servicing actions will be the responsibility of Lender, which must follow accepted standards of loan servicing employed by prudent lenders.

6. Purchase by SBA. By making any written demand that SBA purchase the guaranteed portion of a loan, Lender will be deemed thereby to certify that the covered loan has been made, closed, serviced, and liquidated in compliance with the Paycheck Protection Program and PPP Loan Program Requirements. This Agreement will remain in full force and effect with respect to the covered loan after any purchase.

7. Prohibited Fees. Other than a fixed interest rate of 1.0% on the covered loan, Lender is not permitted to charge or receive any bonus, fee, prepayment penalty, commission or other payment or benefit from a borrower in connection with the making or servicing of any covered loan under the Paycheck Protection Program.

8. Termination.

A. A Lender's authority to make a covered loan under this Agreement will terminate on July 1, 2020. Either party may also terminate this Agreement upon not less than 10 days written notice by certified mail to the other party. Termination will not affect the guaranty of any covered loan previously authorized by SBA under the Paycheck Protection Program. It is understood and agreed that Lender shall continue to comply with the Paycheck Protection Program and PPP Loan Program Requirements with respect to any covered loan previously authorized by SBA, including but not limited to the servicing and liquidation of such covered loans. Termination by either party will not affect in any way Lender's continuing obligation to comply with this Agreement, the Paycheck Protection Program, and all PPP Loan Program Requirements with respect to any covered loan previously authorized by SBA under this Agreement. If this Agreement is terminated by either Lender or SBA, Lender hereby agrees that SBA may in its sole discretion transfer some or all of the covered loans and/or the

servicing and liquidation of such covered loans and related fees or income to SBA or another entity approved by SBA. If SBA requires the transfer of Lender's covered loans, Lender must cooperate with SBA to transfer responsibility for servicing and liquidating of such covered loans.

B. The guaranty of any covered loan will be automatically terminated if Lender does not submit to SBA a demand to purchase the guaranty or a request to extend the maturity within one year after the maturity of the note.

9. Assignment. Lender may only assign or transfer its rights and obligations under this Agreement with SBA's prior written consent, which SBA may withhold in its sole discretion.

10. Interpretation of this Agreement.

A. This Agreement is subject to section 7(a)(36) of the Small Business Act, the Paycheck Protection Program and PPP Loan Program Requirements and will be interpreted and construed subject to, and to give full effect to, the broad scope of SBA's power and authority under the Small Business Act and those requirements. Lender consents and agrees to all rights and remedies available to SBA under the Small Business Act, the Paycheck Protection Program and PPP Loan Program Requirements, as each of those are amended from time to time, and any other applicable law.

B. To the best of its knowledge, Lender certifies that it is in compliance and will maintain compliance with all applicable requirements of the Paycheck Protection Program and PPP Loan Program Requirements.

C. Lender understands that SBA's rights and powers under the Small Business Act, the Paycheck Protection Program and PPP Loan Program Requirements are in addition to, and exist independent of, this Agreement, and that nothing in this Agreement may be asserted against SBA under any circumstances to delay or prevent SBA's full exercise of its rights under applicable law.

D. Lender agrees to hold SBA harmless for any action taken by SBA in enforcing this Agreement, the Small Business Act, the Paycheck Protection Program and PPP Loan Program Requirements against Lender for any covered loan made under this Agreement.

E. Lender agrees that any modification to this Agreement to be asserted against SBA or any exemption to be claimed from any provision of the Small Business Act, the Paycheck Protection Program, or PPP Loan Program Requirements is invalid, null, and void unless it is made in writing by an official of SBA authorized to grant such modification or exemption and was made after full disclosure to SBA of all material facts and circumstances.

F. This Agreement is to be interpreted under and construed in accordance with federal law.

G. This Agreement will inure to the benefit of, and be binding upon, the Lender's authorized successors and assigns.

H. Lender understands that its execution and transmission to SBA of this Agreement does not grant automatic enrollment in the Paycheck Protection Program. SBA and the Department of

Treasury will evaluate Lender and this Agreement in accordance with the PPP Loan Program Requirements and determine whether Lender has the necessary qualifications to process, close, disburse, and service loans made with the SBA guarantee. SBA and the Department of Treasury may request additional information from Lender before making a determination.

By signing below, I hereby certify that I have the authority to execute this Agreement for the Lender on whose behalf I am signing, and that all representations made are true and correct to the best of my knowledge. I further acknowledge that on behalf of the Lender I have also submitted an Incumbency Certificate attached hereto. I further acknowledge that on behalf of the Lender I have also submitted Lender’s most recent fiscal year-end audited financial statements attached hereto. I further acknowledge that any false statements made to the U.S. Small Business Administration and Department of the Treasury can result in criminal prosecution under 18 U.S.C. 1001, 15 U.S.C. 645, and other provisions and imposition of civil money penalties under 31 U.S.C. 3729.

IN WITNESS WHEREOF, the undersigned has duly executed this Agreement.

Kabbage, Inc

Name of Lender

[Redacted Signature]

4/9/20

Signature

Date

[Redacted Title]

Name and Title

ATTEST/WITNESS

I, [Redacted], hereby represent and warrant that I am a duly elected or appointed Secretary or Officer of Kabbage, Inc. (the “Lender”) and that [Redacted] is duly authorized and has the legal capacity to execute this Agreement on behalf of the Lender.

Signature:

[Redacted Signature]

Name and Title:

[Redacted] Assistant Secretary and Assistant General Counsel

Attachment 1: Incumbency Certificate


Attachment 2: Most recent fiscal year-end audited financial statements.

Transmit executed SBA Form 3507 (04-20) and attachments to NFRLApplicationForPPP@sba.gov.


Short Message Report

Conversations: 1	Participants: 10
Total Messages: 13	Date Range: 6/26/2020

Outline of Conversations

 **ppp_fraudreviewers - 1593118034.398900 - 2020/06/26** 13 messages on 6/26/2020 • [REDACTED]
• [REDACTED]@kabbage.com> • [REDACTED] • [REDACTED] • [REDACTED] • [REDACTED]
• [REDACTED]@kabbage.com> • [REDACTED] • [REDACTED] • [REDACTED] • [REDACTED]
• [REDACTED]@kabbage.com> • [REDACTED]

Messages in chronological order (times are shown in GMT +00:00)

-  ppp_fraudreviewers - 1593118034.398900 - 2020/06/26
- P [REDACTED]@kabbage.com> 6/26/2020, 3:37 PM
ty ty
- P [REDACTED]@kabbage.com> 3:37 PM
Cover Your Assets.
- P [REDACTED]@kabbage.com> 3:38 PM
For real though [REDACTED] is this process not all written down somewhere? How are y'all supposed to Say Something when y'all See Something if there is no direction on what Somethings one might See that would therefore merit Something be Said and to whom Something Said about Something Seen might be Said to so that Said Seeing and Saying actually results in Something being Seen?
- T [REDACTED]@kabbage.com> 4:49 PM
[REDACTED] the process we have in place is to send tickets to Account Review, and according to town hall yesterday, I thought someone said to throw them into the fraud review room. I wasn't sure if this room had a special procedure to flag fraud.
- T [REDACTED]@kabbage.com> 4:55 PM
[REDACTED] That is good to know, I will send that over to the sales/CS team, thank you
- P [REDACTED]@kabbage.com> 4:55 PM
I am pleased to be able to provide some assistance.
- P [REDACTED]@kabbage.com> 4:58 PM
Although I appreciate the need for and have requested clarification on what is "suspicious"
- P [REDACTED]@kabbage.com> 4:58 PM
given that we are accepting customer assertions as fact in this context
- P [REDACTED]@kabbage.com> 5:12 PM
[REDACTED] I have been advised that that room is not in fact for public use and will follow up with [REDACTED] and other relevant parties for more information
- T [REDACTED]@kabbage.com> 5:20 PM
Sounds good
- T [REDACTED]@kabbage.com> 5:21 PM
For now CS will still to tickets.
- P [REDACTED]@kabbage.com> 5:29 PM
And flag them like you're Captain Cook, monstrous titan of colonial and imperial violence.
:upvote: 1 · [REDACTED]
- T [REDACTED]@kabbage.com> 6:15 PM
hahahah


Short Message Report

Conversations: 1	Participants: 10
Total Messages: 108	Date Range: 4/20/2020

Outline of Conversations

 **sba-got-real-and-is-getting-real-er - 2020/04/20** 108 messages on 4/20/2020 • [REDACTED]
[REDACTED]@kabbage.com> • [REDACTED]@kabbage.com> • [REDACTED]@kabbage.com> •
[REDACTED]@kabbage.com> • [REDACTED]@kabbage.com> • [REDACTED]
[REDACTED]@kabbage.com> • [REDACTED]@kabbage.com> • [REDACTED]
[REDACTED]@kabbage.com> • [REDACTED]@kabbage.com> • kabbage <>

Messages in chronological order (times are shown in GMT +00:00)

-  sba-got-real-and-is-getting-real-er - 2020/04/20
- D [REDACTED]@kabbage.com> 4/20/2020, 1:31 AM
[REDACTED] we need an end to end system
- D [REDACTED]@kabbage.com> 1:31 AM
this is a wreck
- D [REDACTED]@kabbage.com> 1:32 AM
I don't know what people are reviewing and under what rules
- D [REDACTED]@kabbage.com> 1:32 AM
and then it bottle necks to [REDACTED], who gest help from DS and then some on his own
- S [REDACTED]@kabbage.com> 1:32 AM
completely agree
- D [REDACTED]@kabbage.com> 1:32 AM
then somehow then back to [REDACTED] to do a shit done of wrangling manual shit
- D [REDACTED]@kabbage.com> 1:32 AM
to make me a file
- D [REDACTED]@kabbage.com> 1:32 AM
to then do my zilo manual shit
- D [REDACTED]@kabbage.com> 1:33 AM
fucking hindsight... a half ass defined manual system then letting people run with Google Sheets would have made more sense
- D [REDACTED]@kabbage.com> 1:33 AM
I'm building something to help as fast as I can, but it's not fast enough
- D [REDACTED]@kabbage.com> 1:33 AM
and I don't know what all [REDACTED] is doing or how it's happening
- D [REDACTED]@kabbage.com> 1:33 AM
I stared a day ago, was so focused on the forms, integrations, money movement, legal, documents, customer shit
- D [REDACTED]@kabbage.com> 1:34 AM
I thought the manual thing was working better
- D [REDACTED]@kabbage.com> 1:34 AM
I shouldn't have not looked at it
- D [REDACTED]@kabbage.com> 1:34 AM

hitting myself

- S [REDACTED]@kabbage.com> 1:34 AM
oh no it's been a cluster from the start...not their fault...they are doing a great job with what we have
- D [REDACTED]@kabbage.com> 1:34 AM
I am not blaming
- S [REDACTED]@kabbage.com> 1:34 AM
it's honestly remarkably clean based on what we've given them
- D [REDACTED]@kabbage.com> 1:34 AM
it's crazy to manage this volume in spreadsheets
- S [REDACTED]@kabbage.com> 1:35 AM
I know...just saying so I can say I said it later 😊
- D [REDACTED]@kabbage.com> 1:35 AM
I'm just mad I didn't realize this should have been a priority over something a week ago
- S [REDACTED]@kabbage.com> 1:35 AM
^ [REDACTED] might be able to better explain where some of the bottlenecks are/ what is efficient
- D [REDACTED]@kabbage.com> 1:36 AM
[REDACTED] just help me fully automate everything past [REDACTED] so we can solve that together ASAP
- D [REDACTED]@kabbage.com> 1:36 AM
then we can work on helping her part
- D [REDACTED]@kabbage.com> 1:41 AM
I have to understand this more
- D [REDACTED]@kabbage.com> 1:41 AM
where [REDACTED] gets shit, where she puts shit, and then what you do [REDACTED], etc...
- D [REDACTED]@kabbage.com> 1:41 AM
I've been building shit in a zilo based on asks without full knowledge of this manual shit
- D [REDACTED]@kabbage.com> 1:42 AM
build a decision, build a page in Kore that does this, build this piece
- D [REDACTED]@kabbage.com> 1:42 AM
I haven't stopped to look at the entire flow
- N [REDACTED]@kabbage.com> 1:49 AM
You have that (save a couple areas) - there shouldn't be any reason I (or anyone else) should be calculating anything.

D [REDACTED]@kabbage.com> 1:50 AM
ok

K [REDACTED]@kabbage.com> 1:57 AM

Attachment: PPP Process Flow [POC_ [REDACTED] last updated 4_13, 6PM].pdf (224 KB)

K [REDACTED]@kabbage.com> 1:57 AM
[REDACTED] this is stale (no oculus), but it gives an overview of the flow

D [REDACTED]@kabbage.com> 3:28 PM
[REDACTED] let me know when we can talk [REDACTED] the 3 of us on a better way to track statuses across all these systems, this auto doc request thing (if we turn it on it will auto resend requests to 80% of every document, maybe 85%, do we really want that?), and then a way to improve manual process into the calculation

L [REDACTED]@kabbage.com> 3:28 PM
[REDACTED]s working on this

D [REDACTED]@kabbage.com> 3:28 PM
right now I can't tell what is done where and I need a way when [REDACTED] is ready, and we know OCR won't work, how do to get that into the system out of Google Sheets

D [REDACTED]@kabbage.com> 3:29 PM
ok, we can catch up with him, it has to end up tying into our system or we can't process it and get a file ready and we aren't sure what the plan is or if we will be ready as we dont' know if we need to build something

D [REDACTED]@kabbage.com> 3:30 PM
also help me on auto doc requests, because our in house classification I think is working like 20%? not sure on latest, but if we resent auto requests to 80% that seems like a lot, where many of those could be valid, they come back, upload the same thing, rejected, another email, loop, over and over

D [REDACTED]@kabbage.com> 3:31 PM
I imagine that will overwhelm CS and end up with us not getting anywhere, unless we give them explanation as to how to upload a better document somehow?

D [REDACTED]@kabbage.com> 3:35 PM
also, I assume there are thousands of already manual reviewed applications with data points in some google sheet, if I can get that I can probably call an API to auto submit for calculation to our system

D [REDACTED]@kabbage.com> 3:36 PM
but I tried digging into the spreadsheets last night and I think there is a master [REDACTED] one somewhere, not just the batches

L [REDACTED]@kabbage.com> 7:53 PM
<!here> are people who signed their docs etc, actually getting money yet?

K [REDACTED]@kabbage.com> 7:54 PM
5PM ACH file today

K [REDACTED]@kabbage.com> 7:54 PM
money starts moving

K [REDACTED]@kabbage.com> 7:54 PM
was \$60M like 4 hours ago (and growing if we kept sending them signed deals)

K [REDACTED]@kabbage.com> 7:55 PM
I believe 2 customers were in Friday's ACH file so that money should have landed this morning

K [REDACTED]@kabbage.com> 7:57 PM
do you think we will have the automatic loan calculator on before 5:00 tonight?
Asking because Stone Ridge apparently wants to know how much is ready to go to eTran now

D [REDACTED]@kabbage.com> 7:59 PM
Stone Ridge and not CRB?

D [REDACTED]@kabbage.com> 8:00 PM
right now it's just [REDACTED]'s 6900

D [REDACTED]@kabbage.com> 8:00 PM
or whatever was in his email... But I know it's more, just not sure, I'm pushing to bypass the full e2e thing and just batch decision the data we have ready from google sheets, ds ocr, and oclous now

K [REDACTED]@kabbage.com> 8:00 PM
<!here> also, Customers Bank is now back from the dead. Though they are not our favorite folks, they do serve a few purposes:
1. Best economics on what they originate (non-trivially after we walked on them)
2. Another eTran access point
3. If Congress does do allocations of the next PPP based on FI size (e.g., \$30B for FIs with <\$10B in assets and \$30B for FIs with \$10-\$50B in assets), they would hit that second, larger bucket, meaning more opportunity before \$\$ runs out

D [REDACTED]@kabbage.com> 8:00 PM
I'm telling them has to be done tonight, but 5:00PM seems like a stretch

K [REDACTED]@kabbage.com> 8:00 PM
ok

K [REDACTED]@kabbage.com> 8:01 PM
that batched stuff will be important for what we give to [REDACTED] to give to gov't folks too

D [REDACTED]@kabbage.com> 8:01 PM
I have to say, we have no evidence multiple eTran points does anything

D [REDACTED]@kabbage.com> 8:01 PM
I think we are all calling the same system and getting in the same queue

D [REDACTED]@kabbage.com> 8:01 PM
it just adds days of work on my end for what I think is not much gain

K [REDACTED]@kabbage.com> 8:01 PM
that's fine. point 3 is valid regardless of etran

D [REDACTED]@kabbage.com> 8:01 PM
money part is nice

K [REDACTED]@kabbage.com> 8:01 PM
point 1 is a nice one as well

D [REDACTED]@kabbage.com> 8:02 PM
true

D [REDACTED]@kabbage.com> 8:02 PM
no money

L [REDACTED]@kabbage.com> 8:03 PM
so is money flowing

L [REDACTED]@kabbage.com> 8:03 PM
when

S [REDACTED]@kabbage.com> 8:03 PM
having done this through multiple banks and ourselves also starts to significantly increase company value in a non-trivial way

D [REDACTED]@kabbage.com> 8:10 PM
[REDACTED] we will get final number at 5:00, but it was 60 million at 1:00PM, they will make ACH file and send to bank, and once that is confirmed, people still start to see money Wed / Thurs in their account

L [REDACTED]@kabbage.com> 8:10 PM
Ok, that is fine

D [REDACTED]@kabbage.com> 8:10 PM
if your at a small bank somewhere far outside of network I think ACH says max of 7 days?

D [REDACTED]@kabbage.com> 8:10 PM
but it's usually 1-3

D [REDACTED]@kabbage.com> 8:11 PM

I say send to bank, they are a bank, so send to the network

- L [REDACTED]@kabbage.com> 8:11 PM
Thank you
- S [REDACTED]@kabbage.com> 8:20 PM
<!here> - Latest from [REDACTED] on Celtic in/ out? I'd assume with Customers in Celtic is now out????
- D [REDACTED]@kabbage.com> 8:21 PM
All the bank back and forth is too much noise for me, ignoring all until something is real, as it will be different tonight and again tomorrow I'm sure
- K [REDACTED]@kabbage.com> 8:22 PM
Customers is the realest right now
- K [REDACTED]@kabbage.com> 8:22 PM
I just talked to the guy
- K [REDACTED]@kabbage.com> 8:22 PM
he's a gem
- D [REDACTED]@kabbage.com> 8:24 PM
Ok, so for money to CRB, the job was made to in morning, send all of previous day
- D [REDACTED]@kabbage.com> 8:24 PM
So they have it all, we asked if they wanted to run faster, they said yes, so changing to run hourly
- D [REDACTED]@kabbage.com> 8:24 PM
Hoping to get a run in before 5
- D [REDACTED]@kabbage.com> 9:03 PM
they just emailed the last 4,424 customer with approved loans
- D [REDACTED]@kabbage.com> 9:03 PM
it appears at all once
- D [REDACTED]@kabbage.com> 9:03 PM
I thought we were doing 1k batches
- D [REDACTED]@kabbage.com> 9:03 PM
so umm...
- D [REDACTED]@kabbage.com> 9:03 PM
yeah
- L [REDACTED]@kabbage.com> 9:10 PM
We were, when we were starting at 9 am, then we had to wait 6 hours for another background check, so now they are sent.

D [REDACTED]@kabbage.com> 9:12 PM
will handle it

D [REDACTED]@kabbage.com> 9:12 PM
and I actually meant to post that in the prod ops room as a head sup

D [REDACTED]@kabbage.com> 9:12 PM
lol

D [REDACTED]@kabbage.com> 9:12 PM
wrong room

K [REDACTED]@kabbage.com> 9:35 PM
talking to [REDACTED] right now -- one of our first 2 friendlies

K [REDACTED]@kabbage.com> 9:36 PM
he just got asked to answer security questions again

K [REDACTED]@kabbage.com> 9:36 PM
I honestly don't know if he has successfully docusigned the final thing he needed to sign or not; I know we had to try a few times

D [REDACTED]@kabbage.com> 9:37 PM
he did, [REDACTED] emailed me

D [REDACTED]@kabbage.com> 9:37 PM
my guess is those 5 first test users didn't get removed from this big email of 4,424?

D [REDACTED]@kabbage.com> 9:37 PM
I asked [REDACTED] to look and we could email those 5 and say ignore

K [REDACTED]@kabbage.com> 9:38 PM
okay that's an easy fix

K [REDACTED]@kabbage.com> 9:38 PM
yey,

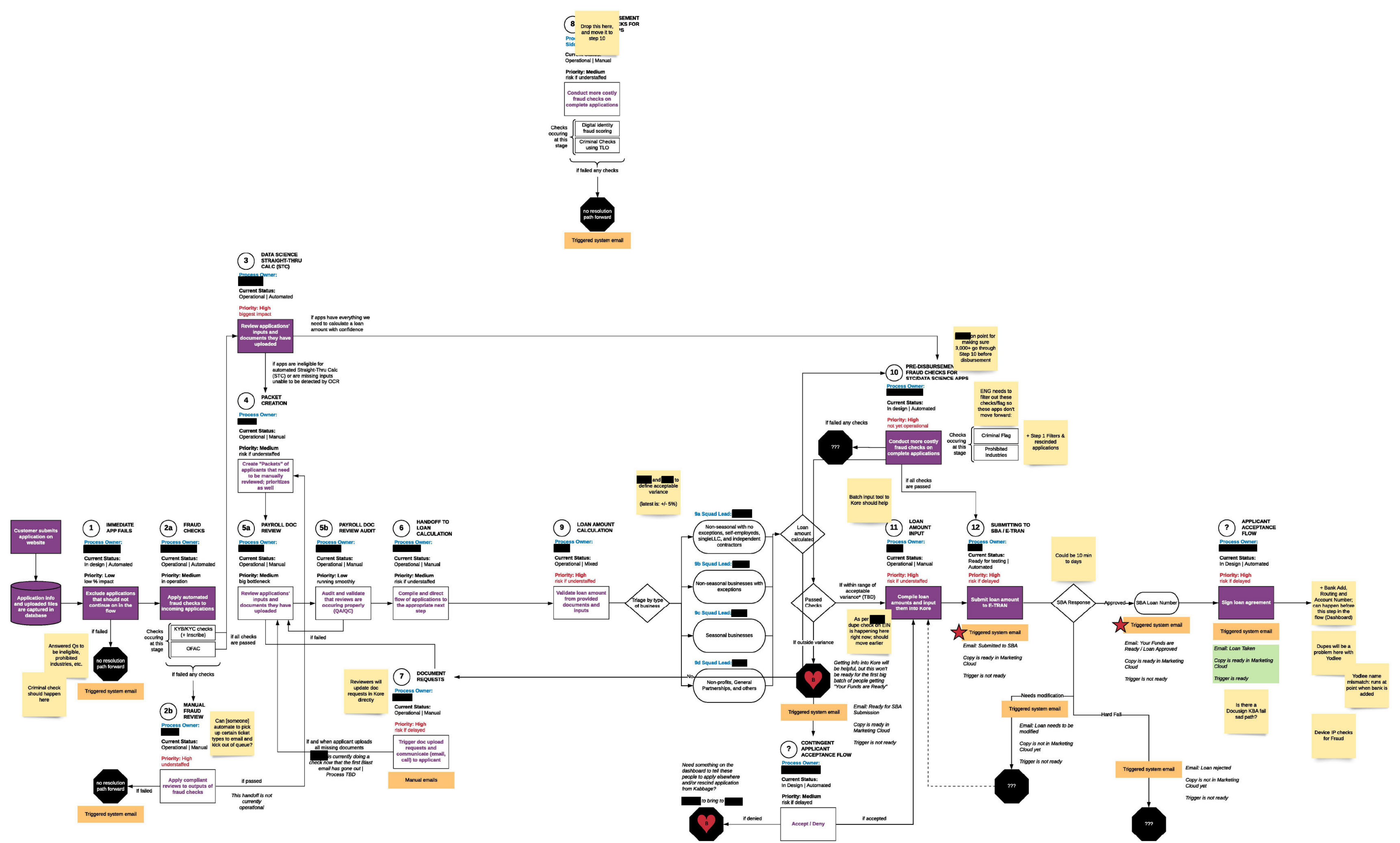
K [REDACTED]@kabbage.com> 9:38 PM
was he one of the ones that we sent on Friday?

K [REDACTED]@kabbage.com> 9:38 PM
to the ACH file?



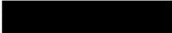

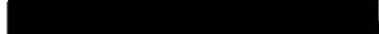
D [REDACTED]@kabbage.com> 9:39 PM
I think we missed Friday so he would have made 2:30 file today



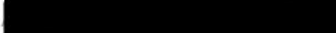

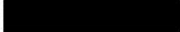






D [REDACTED]@kabbage.com> 9:39 PM
CRB does a 2:30 and a 5 I think?

- D [REDACTED]@kabbage.com> 9:39 PM
and the cut off for 5 is 3:30
- D [REDACTED]@kabbage.com> 9:39 PM
but 60 million is all from the weekend, we didnt' send any of todays signatures, we didn't get the hourly job in place quick enough, we will start sending them soon and they will go in the 2:30
- D [REDACTED]@kabbage.com> 9:39 PM
tomorrow
- D [REDACTED]@kabbage.com> 9:40 PM
original specs from them were run every nigh at 3:00AM and only send previous day
- D [REDACTED]@kabbage.com> 9:40 PM
we all agreed to just run hourly now
- K [REDACTED]@kabbage.com> 9:40 PM
ok cool
- K [REDACTED]@kabbage.com> 9:40 PM
appreciate the update



Messages in chronological order (times are shown in GMT +00:00)

-  **ppp-fraud - 2020/06/03**
- A @kabbage.com> 6/3/2020, 2:29 PM
anyone else having an issue with inscribe right now?
:upvote: 1 - 
- A @kabbage.com> 2:29 PM
nvm
- A @kabbage.com> 6:15 PM
Team,

One guideline on reviews:
We should absolutely not clear any account for Fraud or KYC/KYB until 100% sure..
Many of these flagged accounts are fraud and we are getting audit request from multiple external agencies..
So, to avoid further scrutiny & audit, its better to decline if we are not 100% sure than actually approve with 90% confidence.
Please follow the entire procedure and remove flag only if they are fully validated.
👍 2 - 
- A @kabbage.com> 8:33 PM
One other point - For any fraud review or KYC/KYB review going forward - Please match the EIN number in the document against the application..
No matter the review is being done for KYC/KYB or Fraud. This check is necessary
👍 2 - 
- B @kabbage.com> 8:34 PM
ok do we need to just request filed taxes instead of articles for Manual Verification Fails since articles wont have the irs ein but taxes will?
:upvote: 1 - 
- A @kabbage.com> 8:40 PM
I think having both docs will add additional confidence.. Articles will have name - which is used for another check to make sure applicant is related to the business..
- J @kabbage.com> 8:40 PM
Does this also mean if they passed KYB but failed KYC we still need to verify the EIN?
- A @kabbage.com> 8:40 PM
Yes
- B @kabbage.com> 8:41 PM
so should we make an announcement that we both need articles AND filed taxes for those flags going forward?
👍 1 -  :upvote: 1 - 

A [REDACTED]@kabbage.com> 8:41 PM
I have seen many cases where they use stolen EIN in application to pass KYB, but business docs belong to them which has a different EIN

A [REDACTED]@kabbage.com> 8:49 PM
This is a new type of Fraudulent behavior we started observing
👍 2 • [REDACTED] • [REDACTED]

A [REDACTED]@kabbage.com> 8:51 PM
makes sense. will keep a look out for it! Thanks, [REDACTED]

B [REDACTED]@kabbage.com> 8:55 PM
amit do you want to make an announcement that effective immediately we will be requesting filed articles either filed taxes or irs ein letter voided check

B [REDACTED]@kabbage.com> 8:56 PM
for manual verification fails and also fraud device flags?

A [REDACTED]@kabbage.com> 9:00 PM
These documents are already uploaded I guess

A [REDACTED]@kabbage.com> 9:00 PM
Otherwise, please go ahead and announce

A [REDACTED]@kabbage.com> 9:00 PM
I am assuming we are not clearing anyone without having full Tax return

B [REDACTED]@kabbage.com> 9:01 PM
we are either requesting articles showing ownership or filed taxes showing ownership. not both.

B [REDACTED]@kabbage.com> 9:01 PM
and the sba is not requiring full or filed taxes for the application.

A [REDACTED]@kabbage.com> 9:01 PM
We need EIN validation - I think articles have that

B [REDACTED]@kabbage.com> 9:01 PM
i dont think articles have the ein.

A [REDACTED]@kabbage.com> 9:01 PM
TIN?

A [REDACTED]@kabbage.com> 9:02 PM
Something they must have

J [REDACTED]@kabbage.com> 9:02 PM
no, articles do not have EIN

J [REDACTED]@kabbage.com> 9:02 PM
only the EIN letter or filed taxes will have that

A [REDACTED]@kabbage.com> 9:02 PM
What information is there on EIN?

A [REDACTED]@kabbage.com> 9:03 PM
Articles I mean

A [REDACTED]@kabbage.com> 9:03 PM
What info is there on Article

J [REDACTED]@kabbage.com> 9:03 PM
Articles will have the business name, when it was filed, and will SOMETIMES have the persons name

B [REDACTED]@kabbage.com> 9:04 PM
it varies from state to state. sometimes theres very little info, sometimes theres a lot.

J [REDACTED]@kabbage.com> 9:04 PM
yep

A [REDACTED]@kabbage.com> 9:05 PM
We need something to validate both EIN and Name

B [REDACTED]@kabbage.com> 9:05 PM
ok. [REDACTED] said that getting articles was an sba requirement so we will just make sure all reps request ALL going forward.



A [REDACTED]@kabbage.com> 9:06 PM
Asking more docs help because we want to make it difficult for Frauds to arrange all these docs without making any mistakes..

S [REDACTED]@kabbage.com> 9:07 PM
we were requesting articles for LLCs and full tax returns for 2019 for sole props (2018 if 2019 not filed, and statements if biz was started in 2019 and 2019 taxes not filed). I guess the difference is now we are asking for taxes/ein letter in addition to articles for LLCs.

A [REDACTED]@kabbage.com> 9:07 PM
I saw so many audit requests - So, for flagged cases, or failed ID cases -we want to do some more due diligence

A [REDACTED]@kabbage.com> 9:07 PM
[REDACTED], You are right

A [REDACTED]@kabbage.com> 9:08 PM
EIN letter is what we need

- B [REDACTED]@kabbage.com> 9:09 PM
yes i will say either taxes or ein letter. most customers dont keep their ein letter.
- A [REDACTED]@kabbage.com> 9:09 PM
Perfect
- J [REDACTED]@kabbage.com> 9:44 PM
We were originally allowed to use the W3 to verify the EIN when PPP first started (under [REDACTED]). That could potentially save some time if you think it's feasible to accept and has little incidence of fraud [REDACTED]
- B [REDACTED]@kabbage.com> 9:45 PM
w3s always look sooooo fake to me.
 1 - [REDACTED]
- J [REDACTED]@kabbage.com> 9:45 PM
you're not wrong there!
- B [REDACTED]@kabbage.com> 9:45 PM
personally i would feel more comfortable getting the taxes or irs ein doc.
- B [REDACTED]@kabbage.com> 9:45 PM
but its obviously up to [REDACTED]
- S [REDACTED]@kabbage.com> 9:46 PM
agreed - W3s could be made up and its hard to detect since we basically accept unfiled W3s
- A [REDACTED]@kabbage.com> 9:52 PM
I am fine with your decision on what document to select for verifying name and EIN
 1 - [REDACTED]
- S [REDACTED]@kabbage.com> 9:53 PM
what [REDACTED] announced makes sense to me
- B [REDACTED]@kabbage.com> 9:53 PM
wow thank you everyone, i feel so powerful


Short Message Report

Conversations: 1	Participants: 21
Total Messages: 41	Date Range: 7/16/2020

Outline of Conversations

 **ppp-fraud - 1594917375.035300 - 2020/07/16** 41 messages on 7/16/2020 • [REDACTED]
[REDACTED]@kabbage.com> • [REDACTED]@kabbage.com> • [REDACTED]
[REDACTED]@kabbage.com> • [REDACTED]@kabbage.com> • [REDACTED]
[REDACTED]@kabbage.com> • [REDACTED]@kabbage.com> • [REDACTED]
[REDACTED]@kabbage.com> • [REDACTED]@kabbage.com> • [REDACTED]
[REDACTED]@kabbage.com> • [REDACTED]@kabbage.com> • [REDACTED]
[REDACTED]@kabbage.com> • [REDACTED]@kabbage.com> • Slack Admin <[REDACTED]@kabbage.com> •
[REDACTED] • kabbage <>

Messages in chronological order (times are shown in GMT +00:00)

-  **ppp-fraud - 1594917375.035300 - 2020/07/16**
- B** [REDACTED]@kabbage.com> 7/16/2020, 4:36 PM
[REDACTED] an example of us asking the customer who helped/who they helped with their application and them lying and saying no one to both questions. we can see the customer logging in from the same device as a bunch of other applications. how should we treat these? <<https://jira.kabbage.com/browse/PLO-188986>>
- E** [REDACTED]@kabbage.com> 4:37 PM
I think my issue is theres SO many situations like this and they are providing all the docs necessary and they are passing inscribe so by the rules - I should clear them.
- B** [REDACTED]@kabbage.com> 4:39 PM
sure! only asking [REDACTED] and [REDACTED] because if we are going to clear them regardless of them lying to us what is the point of even asking?
:upvote: 2 - [REDACTED] - [REDACTED]
- A** [REDACTED]@kabbage.com> 4:43 PM
I think if we have proof that someone else filled on their behalf and they are lying. We should deny
- E** [REDACTED]@kabbage.com> 4:43 PM
What would the proof be
:upvote: 2 - [REDACTED]
- S** [REDACTED]@kabbage.com> 4:48 PM
I am fine with declining this based on the fact that we have a device match with many other accounts and yet they claim no one has helped them fill out the application...the proof is the device match
- E** [REDACTED]@kabbage.com> 4:49 PM
Could we have a number of matches that warrants this decision?
- E** [REDACTED]@kabbage.com> 4:49 PM
Or does the amount not matter
- S** [REDACTED]@kabbage.com> 4:52 PM
Everything else does match up for this account though which is interesting. Provided all the docs, no fraud signals in inscribe (even for the Sch C which we know is rare). Logically makes sense as well - income was 70k in 2018 and claiming 128k in 2019. The matching accounts also don't all have the same numbers on the Sch C - different numbers on the one matching account I looked at. So while I don't know if this is a common scenario where all of these things match up and all docs were provided and okayed, I do think we should decline this specific case because of their answer to our question.
- S** [REDACTED]@kabbage.com> 4:54 PM
I don't think number of matching accounts matters...even if its one account (with a different customer name), it warrants the question who is helping them. If I understand the question correctly.
- E** [REDACTED]@kabbage.com> 4:55 PM

This is an EXTREMELY common scenario for me personally at least. I'm feeling really uncomfortable with the review procedure we have now because I'm not comfortable passing almost all the people I have to pass. But they have all the docs needed and answer the questions sooo what am I to do? And its a waste of time for me and CS to push back and forth asking for docs over and over.

E [REDACTED]@kabbage.com> 4:55 PM

I feel like the level of fraud we're reviewing is wildly underestimated

S [REDACTED]@kabbage.com> 4:57 PM

what do they answer to the questions? yes or no? if it's no despite a device match, we can use that to deny.

E [REDACTED]@kabbage.com> 4:57 PM

Most of them name an accountant

S [REDACTED]@kabbage.com> 4:58 PM

got it...so in that case if they answer truthfully. upload all the docs we provide, and they pass our inscribe and visual checks, then we should clear it.

E [REDACTED]@kabbage.com> 4:59 PM

Ok! This is extremely helpful for us to have some black and white guidelines regarding denying apps

E [REDACTED]@kabbage.com> 5:00 PM

Do you feel like theres a number of matches that doesn't warrant concern? Like 15 or less (just an example) or we treat them all essentially the same

S [REDACTED]@kabbage.com> 5:00 PM

I know of legitimate businesses that have sent us docs that looks exactly like the ones provided here...(unfiled schedule C for example). So how is it possible for us to distinguish between fraud/not fraud? I think the best way for us to do that right now is ask for the additional docs and do the inscribe/visual checks and make a decision based on that.

S [REDACTED]@kabbage.com> 5:01 PM

As far as level of fraud...what is the concern exactly about? review process / number of apps we are reviewing or something else?

E [REDACTED]@kabbage.com> 5:01 PM

yeah the unfiled schedule C doesn't throw us off most of them are unfiled

E [REDACTED]@kabbage.com> 5:02 PM

the number of suspicious apps we see and that are meeting all the procedure requirements yet have 600+ matching devices, and the amount of sole props claiming 100k + a year

E [REDACTED]@kabbage.com> 5:03 PM

I have seen MAYBE 2-3 sole props claiming less than 100k this week

S [REDACTED]@kabbage.com> 5:05 PM

i see...i am personally okay with the review process we have right now (as far as docs requested and doing the checks we do). If anyone has any better suggestions on what to do with the review

once ew actually flag an account for a device link for example, would love to hear

- S [REDACTED]@kabbage.com> 5:07 PM
going on a rant here but I do think we should not look at fraud here from a kabbage lending perspective. i know device matches were nowhere as common in kabbage lending...but a fundamental difference is the risk here is not ours - it is SBAs risk.
- B [REDACTED]@kabbage.com> 5:08 PM
ok should we stop looking at fraud sproc? fine with me just let me know what ot do
:upvote: 1 • [REDACTED]
- E [REDACTED]@kabbage.com> 5:08 PM
I understand that I think I personally am just concerned something will come back at us. Can we be included in any discussions regarding the SBAs feelings about our reviews? I personally would like to know if we're under heat from the gov for fraudsters robbing the gov
✓ 1 • [REDACTED]
- B [REDACTED]@kabbage.com> 5:08 PM
can you please put something in writing for how we should be reviewing these accounts?
:upvote: 1 • [REDACTED]
- B [REDACTED]@kabbage.com> 5:09 PM
if someone "sees something and says something" as they were instructed to do during townhall resulting in quite a few tickets for us... how should we review those?
:upvote: 1 • [REDACTED]
- B [REDACTED]@kabbage.com> 5:09 PM
we are also getting a lot of tickets from [REDACTED]'s team for "weird looking docs" but if they come back in inscribe as clear should we just say sorry there is nothing we can do here?
- E [REDACTED]@kabbage.com> 5:09 PM
It would be nice to have something in writing to cover my rear end
- B [REDACTED]@kabbage.com> 5:10 PM
yes please.
- S [REDACTED]@kabbage.com> 5:10 PM
[REDACTED] that is definitely not what I said...fraud sproc is great and we should definitely use it
- B [REDACTED]@kabbage.com> 5:10 PM
sorry i just equate device matches with fraud sproc...
- E [REDACTED]@kabbage.com> 5:11 PM
[REDACTED] if you love fraud sproc so much why don't you marry it
- S [REDACTED]@kabbage.com> 5:11 PM
I'll defer to [REDACTED] for the in written process, but a slack thread like this constitutes in writing for me. It's all fair game if/when there is an audit
- S [REDACTED]@kabbage.com> 5:11 PM

It's committed to ██████ already 😊

B ██████@kabbage.com> 5:12 PM
i dont know what that means

E ██████@kabbage.com> 5:12 PM
Dear Secret Service,

Please make sure my dog goes to a good home before I end up in prison.

Thank you

E ██████@kabbage.com> 5:16 PM
Should we document how many matches on the ticket as an internal comment? If we're just asking the questions and going with the answers - what's even the point of running fraud sproc.

S ██████@kabbage.com> 5:50 PM
if someone sends in all the docs we have asked for and are not forged, we then need a convincing reason to decline them. Simply "we think you're fraudulent because you have a device match" does not cut it. If they lie to us on the questions we ask, that is convincing. I think ██████ referred to this in writing on slack.

S ██████@kabbage.com> 5:51 PM
We can document that...number of applications with the matching device.
✓ 2 - ██████

From: [REDACTED]@kabbage.com> on behalf of [REDACTED]@kabbage.com>
Sent: Tuesday, July 21, 2020 2:07 PM
To: [REDACTED]@kabbage.com>
Cc: [REDACTED]@kabbage.com>; [REDACTED]@kabbage.com>; [REDACTED]@kabbage.com>
Subject: Re: Action needed: WF fraud requests/issues

[REDACTED] - has this \$18MM and the previous fraud amounts actually a KBG loss or is it still early to know?

Thanks!

[REDACTED]

Head of Capital Markets

Kabbage Inc.

1410 Broadway, Floor 16

New York, NY 10018

[REDACTED]

Email: [REDACTED]@kabbage.com

www.kabbage.com

On Mon, Jul 20, 2020 at 2:00 PM [REDACTED]@kabbage.com> wrote:

Thanks [REDACTED] - we will get back to WF with these answers.

[REDACTED]

Head of Capital Markets

Kabbage Inc.

1410 Broadway, Floor 16

New York, NY 10018

[REDACTED]

Email: [REDACTED]@kabbage.com

www.kabbage.com

On Mon, Jul 20, 2020 at 1:02 PM [REDACTED]@kabbage.com> wrote:

Hi [REDACTED]

The recalls on 7/16 are related to the falsified W3 ring we identified very recently. Customers falsified the W3 and applied with same amount across multiple applications. These customers didn't show any fraudulent signals based on the device, email-age, Sentilink, Threatmetrics, KYC/KYB, or other fraud checks we have, therefore they got auto-approved. Once we were informed from the receiving banks, we analyzed this pattern and found 56 of such cases, you can see the loan amount is same across multiple applications.

PFA the reasons for all 56 accounts.

We learned from this pattern and working on a prevention plan. Therefore, these types of cases will significantly reduce in the future as we are putting additional checks in place.

Regards,

[REDACTED]

On Mon, Jul 20, 2020 at 10:00 AM [REDACTED]@kabbage.com> wrote:

Thanks [REDACTED]

Here is what WF said this morning with respect to the two excel files that I attached to my original email. They are looking for reasons for the increased fraud in July, what are we doing about them and the reasons for the 56 instances of fraud on 7/16.

Thanks

[REDACTED]

During the prior 8 week period (5/14-7/7): Kabbage identified a total of 7 transactions amounting to ~\$2MM

Since 7/8/20:

7/8/20: 23 transactions were identified totaling \$7.8MM

7/14/20: 9 additional transactions were identified totaling \$3.5MM

7/16/20: The "Fraud Recalls" file details 56 additional transactions that Kabbage identified as fraudulent on 7/16, totaling \$18MM.

[REDACTED]

Head of Capital Markets

Kabbage Inc.

1410 Broadway, Floor 16

New York, NY 10018

[REDACTED]

Email: [REDACTED]@kabbage.com

www.kabbage.com

On Mon, Jul 20, 2020 at 12:01 AM [REDACTED]@kabbage.com> wrote:

Hi [REDACTED],

During the later part of PPP program, we have observed an increase in falsified W3's. Most of these are like first-party fraud where every detail about the business look genuine but they falsify their W3details. Most of these went through the auto-approval process & without any manual intervention. After getting notification from the respective banks, we did our investigation and caught these cases. We have recalled these funds as listed in the attachment.

Starting from early July, we have introduced an additional review process if the customer approved for >150K. Along with this, we are adding some controls in the OCR process to flag few suspicious documents from auto approvals. There are two other rules on pattern identification in the engineering pipeline.

We can provide the reasons for these 56 recalls, will get back to you tomorrow.

Regards,

[REDACTED]

On Sat, Jul 18, 2020 at 8:41 PM [REDACTED]@kabbage.com> wrote:

I suggested a couple of times that I thought worked for you and [REDACTED] I would like to do it on Monday is possible.

I don't know any of those stats - so yes it will good to give those to them. As per my text message, I think the preferred way to handle the situation is to answer the questions they have since they have a few and then follow-up with the manual.

[REDACTED]

Sent from my iPhone

On Jul 18, 2020, at 7:03 PM, [REDACTED]@kabbage.com> wrote:

Can we do Tues? Monday is BADDDD.

Have we told them we've ID as 2%, Experian data services reports 4.5% in their network, and SBA expects 12%?

I think we send them an overview of the fraud manual if we can beforehand and answer the rest verbally.

[REDACTED]

[REDACTED]
Head of Policy

[REDACTED]
www.kabbage.com

Kabbage, Inc.
730 Peachtree Street NE
Suite 1100
Atlanta, GA 30308

On Sat, Jul 18, 2020 at 9:59 AM [REDACTED] <[\[REDACTED\]@kabbage.com](mailto:[REDACTED]@kabbage.com)> wrote:

Hi everyone

As you are aware, we currently have a contentious relationship with our corporate bank (Wells Fargo). They have submitted a notice to transition the services they provide to another bank. While we are in the process of doing so, we do need them to process all our ACHs till we transition to a different bank.

Based on the recent PPP fraud instances, they reached out to us yesterday with the following questions and requests. I don't know if their volume is correct or not - so, we need verification that they are right.

I have included several people on this email list as I am guessing all of you may have some role or the other to help resolve these items with WF.

I have assigned names below to the various action items.

[REDACTED]

[REDACTED] and [REDACTED]

As requested, we are attaching two lists of the transactions that Kabbage represented as fraudulent and asked WF to pursue recall of the transactions. As discussed on the call today, we are concerned about the significant increase in the fraudulent transactions confirmed by Kabbage over the past few days, including \$18MM of new transactions that were flagged yesterday, and have the following questions/requests for information:

Due Diligence Question: [REDACTED] - we propose a call on Monday with them to answer these questions. Are you comfortable doing so?)

- What are the key drivers of the significant increase in fraudulent transactions? Is there an ongoing review of transactions that could result in a continued high volume of fraudulent transactions identified for recall?
- Please describe Kabbage's customer due diligence/KYC process prior to funding PPP loans.
- Please describe any additional controls in place to identify fraudulent transactions, and any new controls that are being introduced to address the recent increase.
- Please confirm the steps that Kabbage takes after a fraudulent event has been

identified, including any SBA or other third party notification process.

- As noted on the call today, we would like to discuss the potential for Kabbage to replace the numeric identifier on submitted files with the payee name, which may help WF and the receiving banks assist Kabbage with flagging potential fraudulent transactions. (@ [REDACTED] - is this you who can help with this?)

Information Request:

- Fraud Rationale: For each transaction in the attached files, please provide the reason that the transaction is considered fraud. This information is needed for documentation purposes, and is also being requested by receiving banks and will facilitate the recall process. **Please provide by EOD Monday so WF can respond to the receiving banks on a timely basis.** (@ [REDACTED] - will you be able to help with this??)

- Financial Statements: Please provide Kabbage's most recent financial statements and/or a projected liquidity roll forward. (@ [REDACTED] - I have asked for the rationale of why they want this but if they insist, we can provide June end financials and current liquidity position).

Please let us know available times on Monday for a follow up discussion.

Thanks,

[REDACTED]

[REDACTED]

Head of Capital Markets

Kabbage Inc.

1410 Broadway, Floor 16

New York, NY 10018

[REDACTED]

Email: [REDACTED]@kabbage.com

www.kabbage.com

--



[REDACTED]

www.kabbage.com +1 [REDACTED]

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730 Peachtree St NE #1100
Atlanta, GA 30308

--

Kabbage, Inc.



[REDACTED]

www.kabbage.com +1 [REDACTED]

730 Peachtree St NE #1100
Atlanta, GA 30308

From: [REDACTED]@kabbage.com> on behalf of [REDACTED]@kabbage.com>
Sent: Friday, July 17, 2020 9:09 PM
To: [REDACTED]@kabbage.com>
Cc: [REDACTED]@kabbage.com>; [REDACTED]@kabbage.com>; [REDACTED]@kabbage.com>
Subject: Re: PPP fraud arrest in Arkansas - Kabbage loan

[REDACTED]....

<p>[REDACTED] <i>Head of Policy</i> [REDACTED] www.kabbage.com</p>	<p>Kabbage, Inc. 730 Peachtree Street NE Suite 1100 Atlanta, GA 30308</p>
---	---

On Fri, Jul 17, 2020 at 4:29 PM [REDACTED]@kabbage.com> wrote:
good grief

OK you got me it was me - I'm behind little piglet soap company

<p> Kabbage</p>	<p>[REDACTED] <i>General Counsel</i> [REDACTED] www.kabbage.com</p>	<p>Kabbage, Inc. 730 Peachtree Street NE Suite 1100 Atlanta, GA 30308</p>
--	--	---

On Fri, Jul 17, 2020 at 4:13 PM [REDACTED]@kabbage.com> wrote:
I doubt anyone would ever confirm or deny any of that...so sure what the hell...we called them

☐☐☐ what a weird question to ask. It's not like we'd be able to comment on anything if we did. I'm not going to even look to see if we filed any reports on that one.

On Jul 17, 2020, at 3:54 PM, [REDACTED]@kabbage.com> wrote:

Hi all

Wells Fargo was asking us about a FBI arrest yesterday of a PPP customer who fraudulently got a loan from us?

I wasn't aware of it but WF said that Kabbage's name was in the press (I couldn't find it anywhere).

<https://www.justice.gov/usao-edar/pr/little-rock-woman-charged-covid-relief-fraud>

I looked at Kore and it seems that we did issue a loan under CRB to this company.

WF was asking if we informed the FBI or if we knew about this.

Thanks!

[REDACTED]

Head of Capital Markets

Kabbage Inc.

1410 Broadway, Floor 16

New York, NY 10018

[REDACTED]

Email: [REDACTED]@kabbage.com

www.kabbage.com

From: [REDACTED]@kabbage.com> on behalf of [REDACTED]@kabbage.com>
Sent: Thursday, April 9, 2020 10:31 PM
To: [REDACTED]@kabbage.com>
Cc: [REDACTED]@kabbage.com>; [REDACTED]@kabbage.com>; [REDACTED]@kabbage.com>
Subject: Re: Speed to approval

Thank you,

[REDACTED]

On Thu, Apr 9, 2020 at 5:26 PM [REDACTED]@kabbage.com> wrote:
Let's do the fraud ones now. Let's give another day or so on the manual underwriting too...let's see where we get with the automation.

On Apr 9, 2020, at 9:24 AM, [REDACTED]@kabbage.com> wrote:

Should we ask them to ramp-up by +8 and support Fraud and Manual Underwriting?

On Thu, Apr 9, 2020 at 8:10 AM [REDACTED]@kabbage.com> wrote:
We will have the doc review automated shortly. I do not want to ramp up URS there.

On Apr 9, 2020, at 8:03 AM, [REDACTED]@kabbage.com> wrote:

Hi all,

For the manual doc review workstream, I am requesting **+25 URS headcount** to get us to a 1-day queue clearance speed. This will work with [REDACTED]'s 2-day SLA, since the next step after manual doc review is loan amount verification (and let's give that workstream a 1-day queue clearance speed).

<image.png>

For the loan amount verification workstream, we may need additional URS headcount as well, but we don't yet have a sense of the processing speed. If you see the calculations above, we could also tick down/reallocate the Kabbage support and ramp up the URS support to optimize costs and manage burnout. However ultimately, I'd like to start with +25 because time is of the essence to process these applications.

Best,

[REDACTED]



[REDACTED]
Strategy & Operations
[REDACTED]
www.kabbage.com

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730 Peachtree Street NE
Suite 1100
Atlanta, GA 30308

On Thu, Apr 9, 2020 at 7:56 AM [REDACTED]@kabbage.com> wrote:

So what total add are we looking at?

On Apr 9, 2020, at 12:59 AM, [REDACTED]@kabbage.com> wrote:

Thank you [REDACTED]

To start, 5 people. Increasing from 2 to 5, hence adding three resources. This will help support catching up the backlog, and getting us on track for a 2 day SLA as soon as possible.

<image.png>

We can further evaluate additional resources once monies are disbursed as this will cause a shift to resources to clear these tickets ASAP. Primary goal is to get caught up so I'm not causing the bottleneck.

Regards,

[REDACTED]

On Wed, Apr 8, 2020 at 7:00 PM [REDACTED]@kabbage.com> wrote:

Hi,

I did some volume estimates based on the past 5 days' applications. Please refer to the attachment.

Average daily apps	9655
Average daily count of applicants passing KYC/KYB	7241
Average daily count of customers eligible for loan amount calc (Assuming 8% of customers attach all relevant docs)	579
Average daily count of applicants for fraud/KYC review	1255

Based on this data, I tried to estimate the hours needed for the loan-amount calculation workstream. Based on yesterday's experience, we are able to calculate the loan amount for ~10 applications per hour. Therefore, we would need ~60 hours every day to do the loan amount calculation. This requires ~7.5 persons in a day, assuming 8 hours per person. Therefore, in the beginning, I am recommending to start with 5 people at URS on the loan amount calculation.

The remaining workload we can manage at Kabbage end. URS will create the loan-amount excel & fill tabs for each account. And as a next step, someone from us at Kabbage will review some random accounts and do other sanity checks before finalizing that file.

[REDACTED], please try to provide the estimate on other queues (Fraud, KYC/KYB, Payroll doc verification etc) by tomorrow morning. We are planning to talk to them at 10:00-AM if this gets approved by today.

Regards,

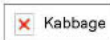
[REDACTED]

On Wed, Apr 8, 2020 at 4:28 PM [REDACTED]@kabbage.com> wrote:

I'll try to estimate this for my queue, but won't be able to give you an answer until early tomorrow morning.

Best,

[REDACTED]



[REDACTED]
 Strategy & Operations
 [REDACTED]
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On Wed, Apr 8, 2020 at 4:15 PM [REDACTED]

[REDACTED]@kabbage.com> wrote:

Wow...let's all take a moment to marvel at how bad of a contract that is...good for us, and kudos to whoever negotiated that.

Ok, I'll need to get approval, but I'd go ahead and start planning on it happening. Do we have a read on daily new flow into the queues? I ask to see if this is enough scale to handle the daily influx? If not...what would that be? Similarly what scale would we need to plow through the existing queue in the next say 48 hours?

On Apr 8, 2020, at 4:05 PM, [REDACTED]@kabbage.com> wrote:

yes, the contract allows us to drop to 30 to 1 overnight

[REDACTED]

On Wed, Apr 8, 2020 at 4:03 PM [REDACTED]@kabbage.com> wrote:

So we could go from whatever scale back to the three "overnight" conceptually?

On Apr 8, 2020, at 4:02 PM, [REDACTED]@kabbage.com> wrote:

ramping down any time, 30 day notice to terminate the contract - for URS.

Separate note on the way

On Wed, Apr 8, 2020 at 3:54 PM [REDACTED]@kabbage.com> wrote:

\$2500 per month...so roughly \$15.60/hr?

I get ramping up is something that could take time if we let it go too long... how about ramping down. How much notice would I need to give there?

...also can you guys send me a separate not on where we are with ID scans?

On Apr 8, 2020, at 3:51 PM, [REDACTED]
[REDACTED]@kabbage.com> wrote:

Hi [REDACTED].

We are requesting to go back to 10-people which we reduced to 3 recently. These 3 are already working on the Fraud review of the SBA loan process.

We can distribute the other 7 between Fraud review, loan amount calculation, and pay-roll document review.

For each activity, e.g. Fraud review, Loan amount calculation and Payroll document review, we will set a clear SLA's. We can evaluate the needs for more within a week once we get more clarity on volumes and SLAs.

Regards,
[REDACTED]

On Wed, Apr 8, 2020 at 3:01 PM [REDACTED]
[REDACTED]@kabbage.com> wrote:

We would need crystal clear SLA expectations with them in terms of output per hour so we manage cost/output appropriately

On Wed, Apr 8, 2020 at 2:52 PM [REDACTED]
[REDACTED]@kabbage.com> wrote:

How many people are you asking for?

Sent from my iPhone

On Apr 8, 2020, at 2:17 PM, [REDACTED]
[REDACTED]@kabbage.com> wrote:

To add to [REDACTED] point:

URS resources have prior experience with Kabbage and helped in high-line-manual-review process and Fraud review. They have our system access too.

They are very well aware of Financial documents & Fraud tolls we use today.

Therefore, the training time will be quick and they can be efficient from the day-1. We can also scale up or down in the count depending on the requirement.

I heard from a financial services consulting company yesterday that the Banks and other financial institutions are also getting involved the SBA loan business. These banks/institutions are exploring off-shore operational vendors and repurposing their large employee base for doing the document review. Therefore, timing will play a very important role. Customers also started applying to multiple places, so whoever can process the loan faster will get the conversion.

Regards,
[REDACTED]

On Wed, Apr 8, 2020 at 1:57 PM [REDACTED]
[REDACTED]@kabbage.com> wrote:

Hi [REDACTED] and [REDACTED]

In effort of speeding of the process and the 4 queues that we currently have:

As we say time is money can we bring on additional URS resources to train them on the manual review process for the following:

Fraud/KYC/KYB Queues (5K)

- KYC/KYB/Fraud scoring
- Documents received
- AML/BSA Checks

Manual Loan Amount calculation (TBD)

- Manual underwriting

Payroll document verification (30+)

- Evaluating URS to review this queue

Please advise if we need to have a call as we recommend bringing 100% of the resources back which immediately and then evaluate the needs for more once we get volumes and SLAs.

They can also work [REDACTED]'s queue at night which is the largest thus far and since that is the top of the funnel to avoid losing these customers.

Just FYI- one resource is \$2500 which we can modify and adjust as necessary.

Thanks and talk soon about next steps.

Regards,

[REDACTED]



[REDACTED]
Head of Fraud
www.kabbage.com

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Atlanta, GA 30308](http://730 Peachtree St. NE Suite 1100 Atlanta, GA 30308)

--



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[REDACTED]
Chief Accounting Officer/Controller
[REDACTED]
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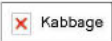
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From: [REDACTED]@citi.com> on behalf of [REDACTED]@citi.com>
Sent: Tuesday, September 22, 2020 8:28 PM
To:
Subject: RE: Incoming Kabbage SBA Loan to Citibank---Possible Fraud

[REDACTED]

If you receive this, I would love to speak with you about another Kabbage PPP loan we received at Citi . Unfortunately, I wasn't able to hold the funds on the last loan because I never got a response from anyone at Kabbage. In this instance, the PPP recipient is threatening Citibank and I would really like to make sure she is a good guy before I let her access these funds.

Please call me [REDACTED]
[REDACTED]

[REDACTED] **SVP**

US Consumer and Commercial Fraud Policy
Global Fraud Policy and Prevention
Citibank, N.A.
[REDACTED]

From: [REDACTED] [GCB-FRD]
Sent: Friday, July 31, 2020 12:23 PM
To: [REDACTED]@kabbage.com'
Subject: Incoming Kabbage SBA Loan to Citibank---Possible Fraud
Importance: High

[REDACTED]

I was given your contact information by a colleague of mine. I have an incoming loan from Kabbage entitled CRB KABBAGE SBA LOAN for \$20,833. The funds landed in a consumer account and are being drained by Zelle debits, cash withdrawals and debit card purchase (dunkin donuts, food, Walgreens, etc.). The individual admitted (when he came into a branch to withdrawal the funds) that he does NOT own a business. But after we said "well then you shouldn't be getting an SBA loan of any kind", he changed his tune and said he DOES have one but refused to give us details. [REDACTED] is client name and payee on the ACH credit.

I have some of the funds still on hold if you guys want them back.

Please call me at [REDACTED] if you would like to speak. He's escalating like the dickens right now, so give me shout. You may want to send an R10 asap. If you do, let me know so I can give ACH ops a heads up.

[REDACTED] **SVP**

US Consumer and Commercial Fraud Policy
Global Fraud Policy and Prevention
Citibank, N.A.
[REDACTED]

From: [REDACTED]@kabbage.com> on behalf of [REDACTED]@kabbage.com>
Sent: Thursday, July 9, 2020 1:13 PM
To:
Subject: Re: Fraud Patterns // Embellished Tax forms

That makes sense! We have proof of people posting things on instagram saying that they can get people approved for PPP loans with a "draft schedule C" and then to DM them for details. In a lot of these cases it's a family friend or just someone from the internet and when we ask who helped fill out their application they lie and say they did it themselves - would us seeing the shared device/them lying about being the ones that filled out their app be grounds to deny them on?

On Wed, Jul 8, 2020 at 8:35 PM [REDACTED]@kabbage.com> wrote:

This is a really hard one...and I totally understand your concern. You are thinking correctly about this. It's a really hard spot we're in with the program though. Essentially if there is no definitive proof of fraud (I'm sure there are exceptions to what I'm going to say) then we have to let it through. We can report the suspicious activity up (and we should), but we need something specific to point to on stopping accounts.

You are correct that having a shared device ID is enough for us to stop things though. If someone can't provide evidence that this is acceptable we can stop those. For example, if an accountant can provide information showing that they applied for their clients...this could be a legitimate cause of the device match. If it can't be proven ok then we can stop those.

The tax forms with the same numbers are harder...if we have nothing to prove wrong-doing then we would have to rely on the government to find those.

Does this help?

On Jul 7, 2020, at 12:49 PM, [REDACTED]@kabbage.com> wrote:

Hi [REDACTED]

We've been reviewing a ton of fraud that seem to be various "clusters" of apps created by one person (they are all coming in from the same devices) on behalf of people who appear to be aware of the application so we are able to get outbound verification/actual voided checks/util bills.

These accounts are also able to send in the unfiled "embellished" tax docs (customers running daycares and hair salons out of their apartments and making over 200k) with no fraud signals in Inscribe, which makes sense because they are literally just a form downloaded from the internet and filled out by the customer.

I have been discussing it with [REDACTED] and they are of the mind that if the docs are checking out in Inscribe, even if they are logging in from the same device as multiple accounts sending in those same exact documents, we should let them through because we don't really have a way to validate that these taxes have been filed with the IRS/ are legitimate and that it will ultimately fall back on the SBA.

If you agree with this I will totally let it go, it just seems like there is money going out the door to bogus businesses that is preventable, but didn't know what leg we had to stand on re: stopping them if their docs are not showing overt fraud signals.

--



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--



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From: [REDACTED]@kabbage.com>
Sent: Thursday, May 21, 2020 5:54 AM
To: [REDACTED]@kabbage.com>
Cc: [REDACTED]@kabbage.com>; [REDACTED]@kabbage.com>; [REDACTED]@kabbage.com>
Subject: Re: NYT Question

Let it go.

On Wed, May 20, 2020 at 01:52 [REDACTED]@kabbage.com> wrote:

Not an official comment, no. If the numbers showed we were rightfully declining a percentage of fraudsters, the consideration was to provide something off the record. We're quoted saying our tech is great at verification, and her story is leaning towards a hit on a big bank lacking that ability. I wanted to encourage it, not be a part of it. But, it seems the data isn't there anyway. We can let it go.

[REDACTED]

On May 19, 2020, at 10:23 PM, [REDACTED]@kabbage.com> wrote:

Just to be clear, we are not commenting here right? Other than maybe to say that of course we see fraud. I do not think it serves anyone to disclose numbers around fraud at all.

On Tue, May 19, 2020 at 9:20 PM [REDACTED]@kabbage.com> wrote:

We have 8,801 loans with an SBA loan number for \$20,833. The \$ value is obviously \$183,351,233.

Therefore, we have not ID'd those as fraud to date because they are approved loans. Again, given it's just a soleprop above \$100k, I don't see that as unique or unusual and we do our own loan calcs vs blindly accepting customer data.

[REDACTED]

[REDACTED]
Head of Policy

[REDACTED]
www.kabbage.com

Kabbage, Inc.
[730 Peachtree Street NE](#)
[Suite 1100](#)
[Atlanta, GA 30308](#)

On Tue, May 19, 2020 at 4:50 PM [REDACTED]@kabbage.com> wrote:

Thanks, [REDACTED] - Does the 8,801 number represent the amount of \$20,833 loans we flagged for fraud? Or just total? The former is what I'm asking the reporting team to pull

On Tue, May 19, 2020 at 1:35 PM [REDACTED]@kabbage.com> wrote:

<image.png>

1 = value: \$20,833

But that's loan amounts, not requested per say. I don't think that's suspicious given we're serving these markets, nor do I think it's fraud. Educated sole props that read up on PPP would know they'd be capped.

[REDACTED]	Kabbage, Inc.
<i>Head of Policy</i>	<u>730 Peachtree Street NE</u>
M: [REDACTED]	<u>Suite 1100</u>
<u>www.kabbage.com</u>	<u>Atlanta, GA 30308</u>

On Tue, May 19, 2020 at 4:20 PM [REDACTED]@kabbage.com> wrote:

Looking into it too.

[REDACTED]	Kabbage, Inc.
<i>Head of Policy</i>	<u>730 Peachtree Street NE</u>
[REDACTED]	<u>Suite 1100</u>
<u>www.kabbage.com</u>	<u>Atlanta, GA 30308</u>

On Tue, May 19, 2020 at 1:59 PM [REDACTED]@kabbage.com> wrote:

She was fine with a no answer, but asked if we have any info on these instances she'd be happy to learn more on or off the record. The genesis is, apparently, at least one large US bank didn't have any fraud checks or

underwriting to catch these instances, which allowed many to get funded. They're still trying to nail down that story. I have the data team looking into it. If the numbers are right, it will further emphasize our tech differentiation if we can show that Kabbage rightfully declined a % of fraudulent accounts in these circumstances. I'm collecting the data.

On Tue, May 19, 2020 at 8:35 AM [REDACTED]@kabbage.com> wrote:

Hey - [REDACTED] at NYT reached out with the below. I know we've detected plenty of fraudulent accounts, but this is quite specific. [REDACTED] is going to pull data when he has time, but it's a lower priority for them.

I'm going to tell her our system has detected fraudulent accounts across business structures, but I don't have details this specific. I'll also pitch her on the story idea about how the IRS could have helped eliminate nearly all fraud with their data.

Any other points you'd like to provide?

###

A question I'd love to get input from Kabbage on --- we've heard that some lenders (especially the fintechs) got a noticeable number of suspicious applications from claimed sole proprietors who sought a loan of exactly \$20,833 -- which would be the max available amount for a sole proprietor paying themselves the max allowable \$100,000 salary.

Did Kabbage detect anything like that?

--



[REDACTED]
Head of Communications
www.kabbage.com

Kabbage, Inc.
201 California
Suite 325
San Francisco, CA 94111

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Question: On what date did CRB's partnership with Kabbage for PPP loans conclude, and for what reason(s)?

Response: The partnership with Kabbage ended on August 8, 2020 at the conclusion of PPP Round 1. Based on several factors including change of ownership, process and documentation issues, and ongoing servicing challenges, the Bank decided that it was a prudent risk management decision not to work with Kabbage during the 2021 PPP (Round 2).

Kabbage


June 11, 2020

ALVAREZ & MARSAL

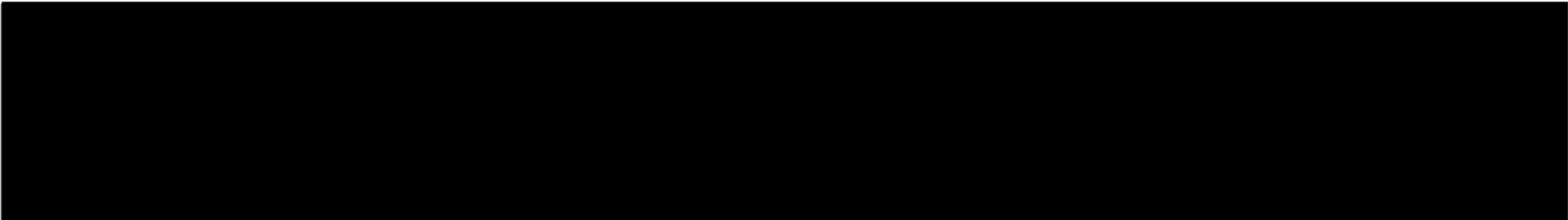
Paycheck Protection Program Assessment



Executive Summary



Overall, A&M observed a PPP compliance program that generally appears to be consistent with the SBA's PPP Interim Final Rules guidance and applicable BSA/AML and OFAC requirements and our understanding of regulatory expectations. We also observed that Kabbage is currently in the midst of enhancing controls and making key operational changes to comply with evolving SBA PPP guidance changes.



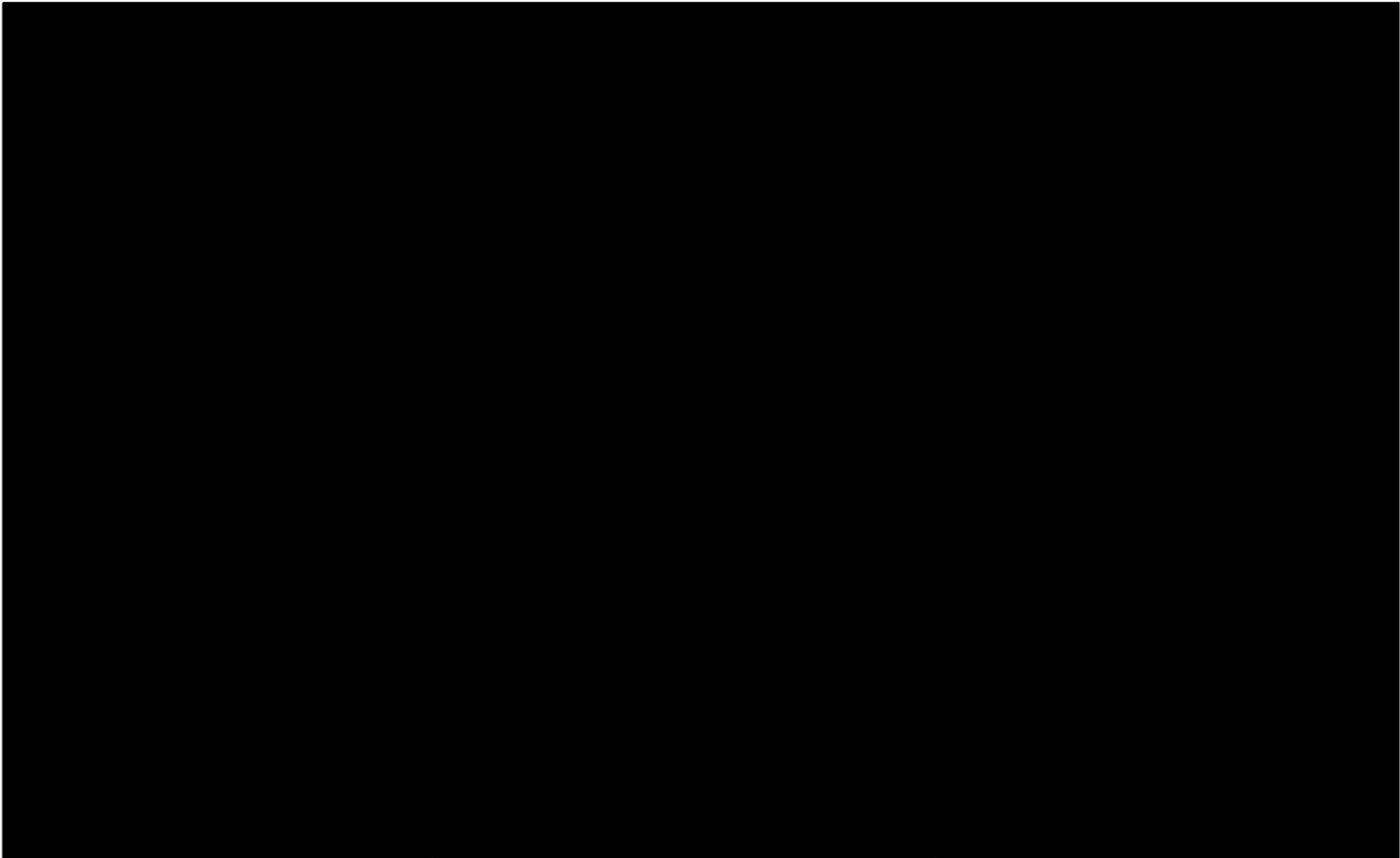
01 Scope

ALVAREZ & MARSAL

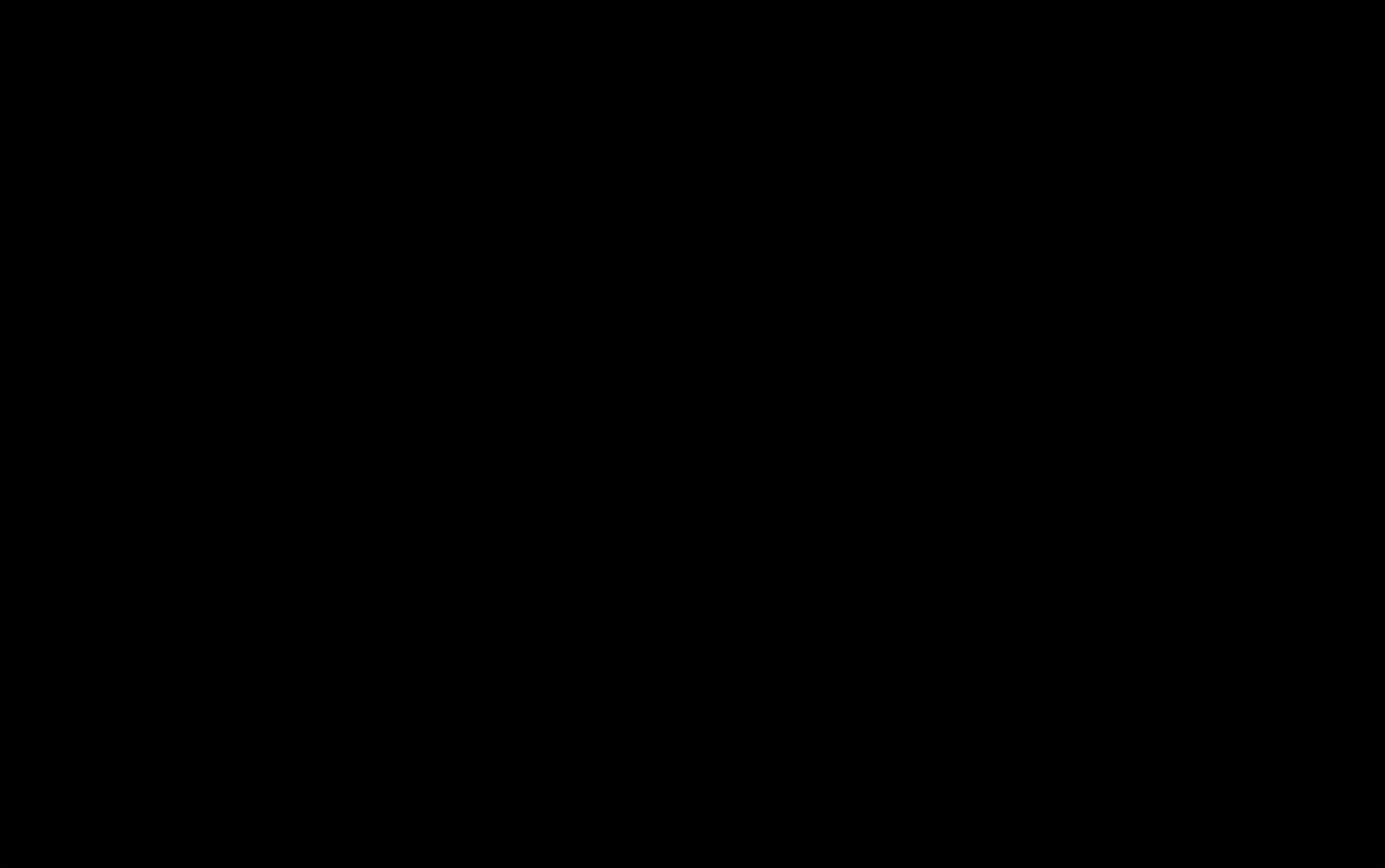
02

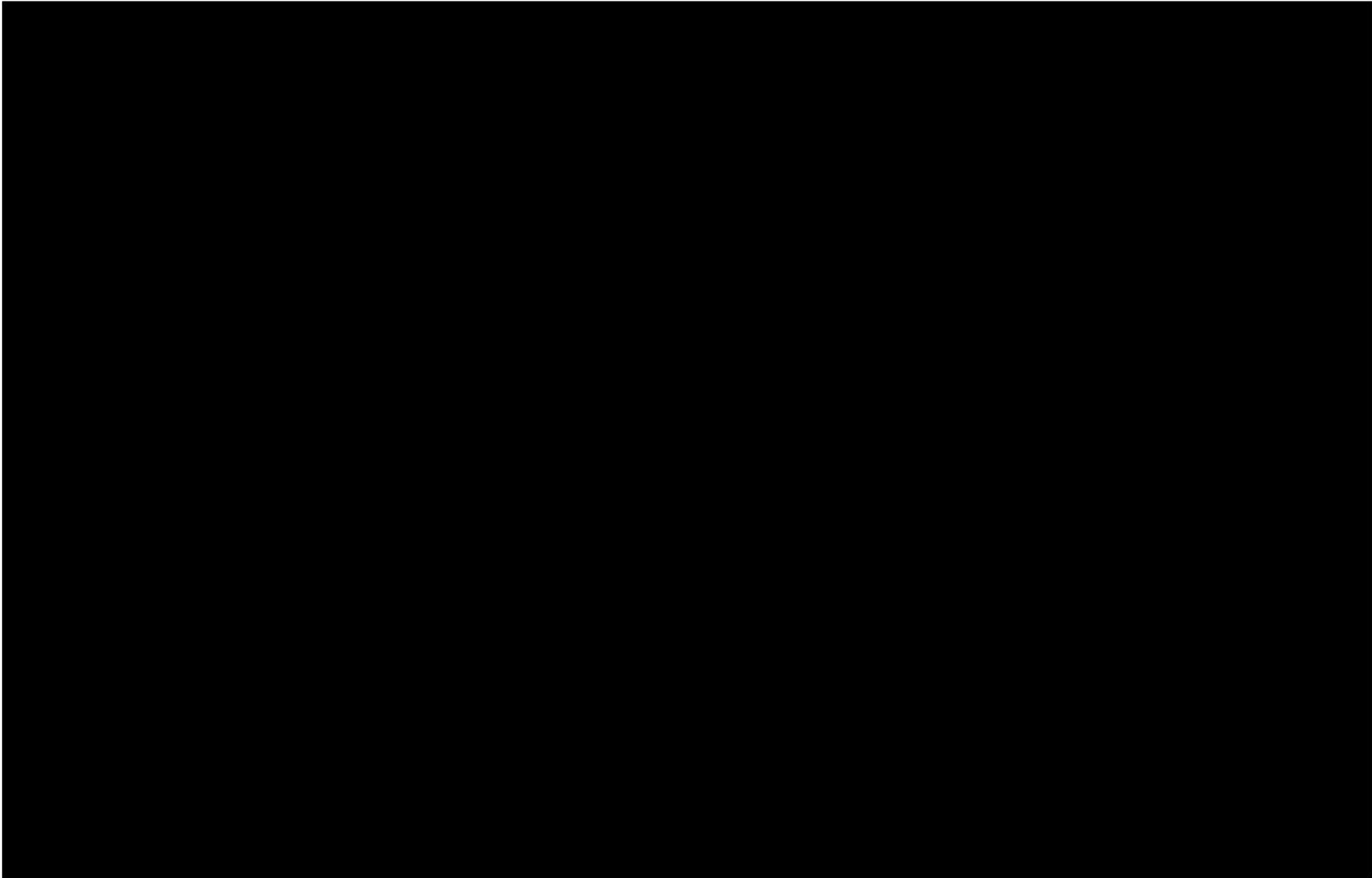
Risk & Control Matrix Assessment

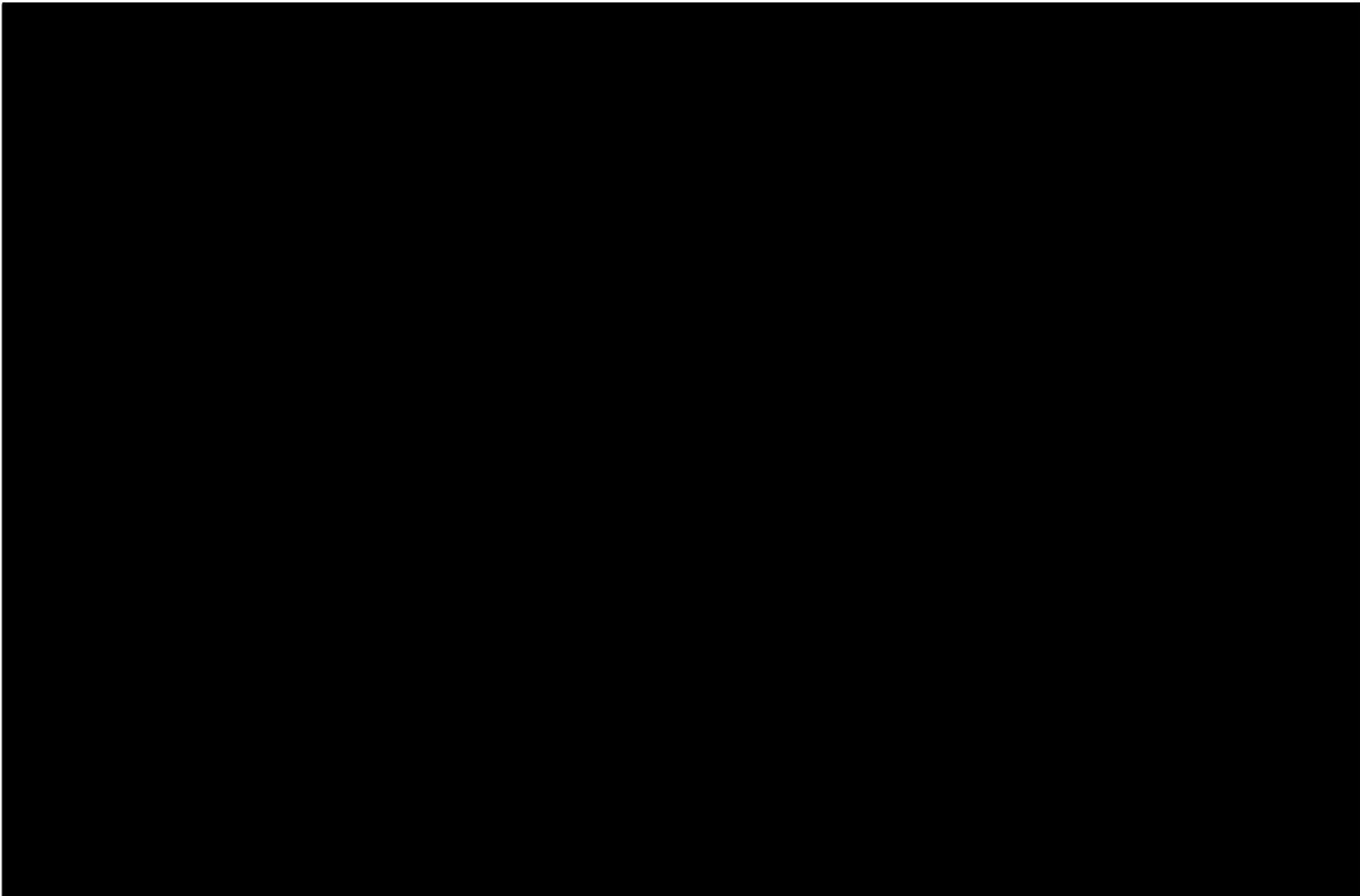
ALVAREZ & MARSAL

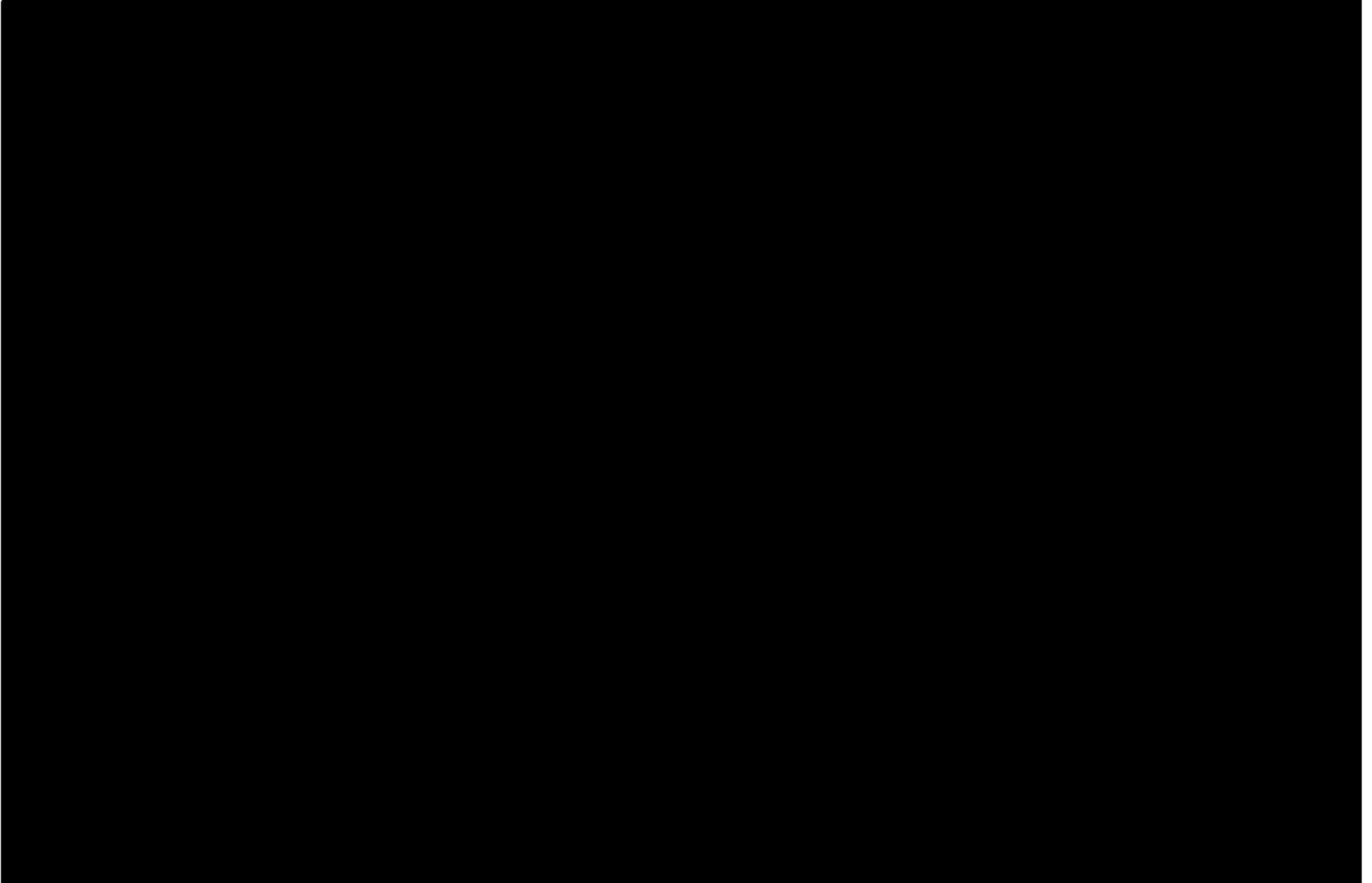


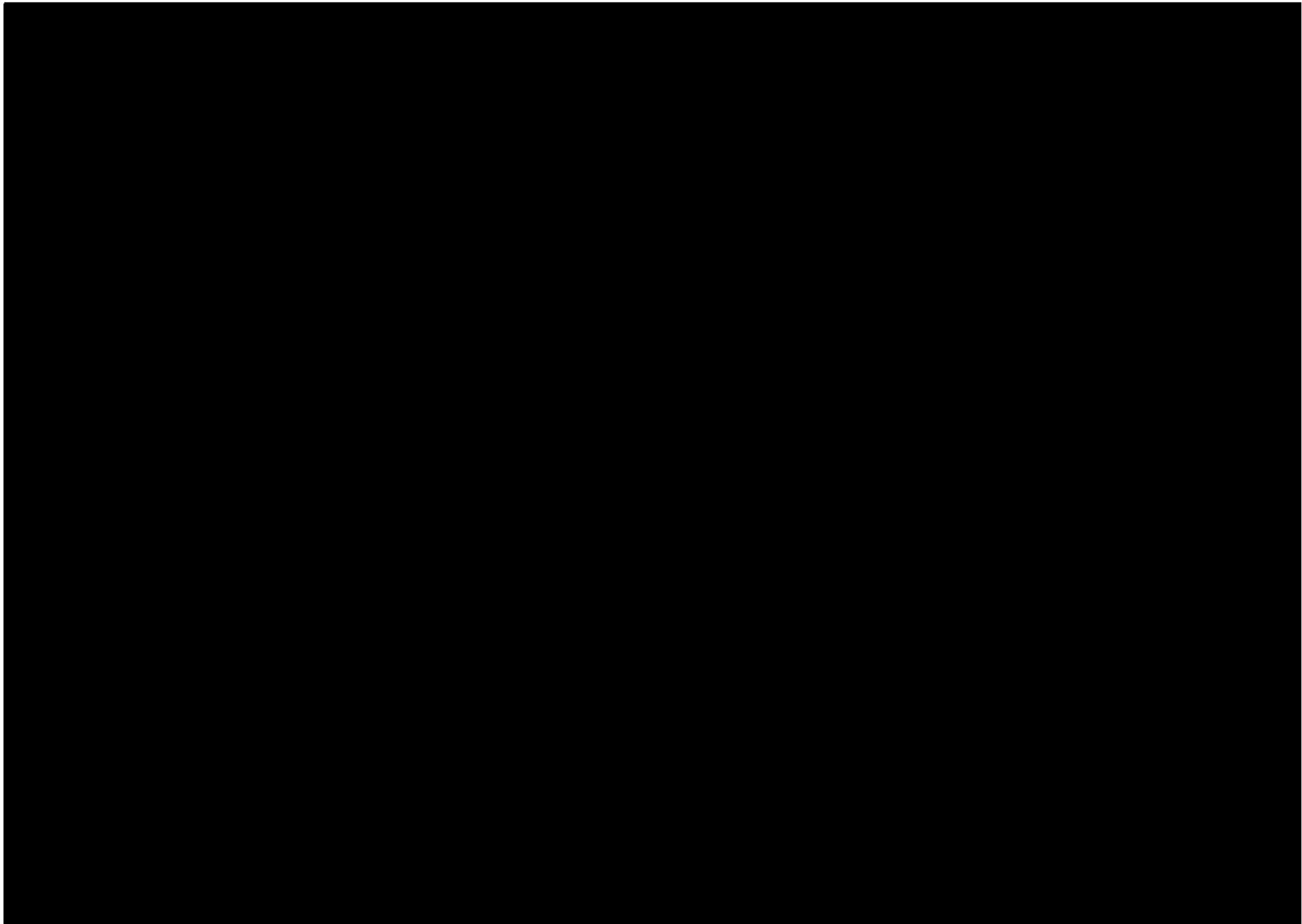


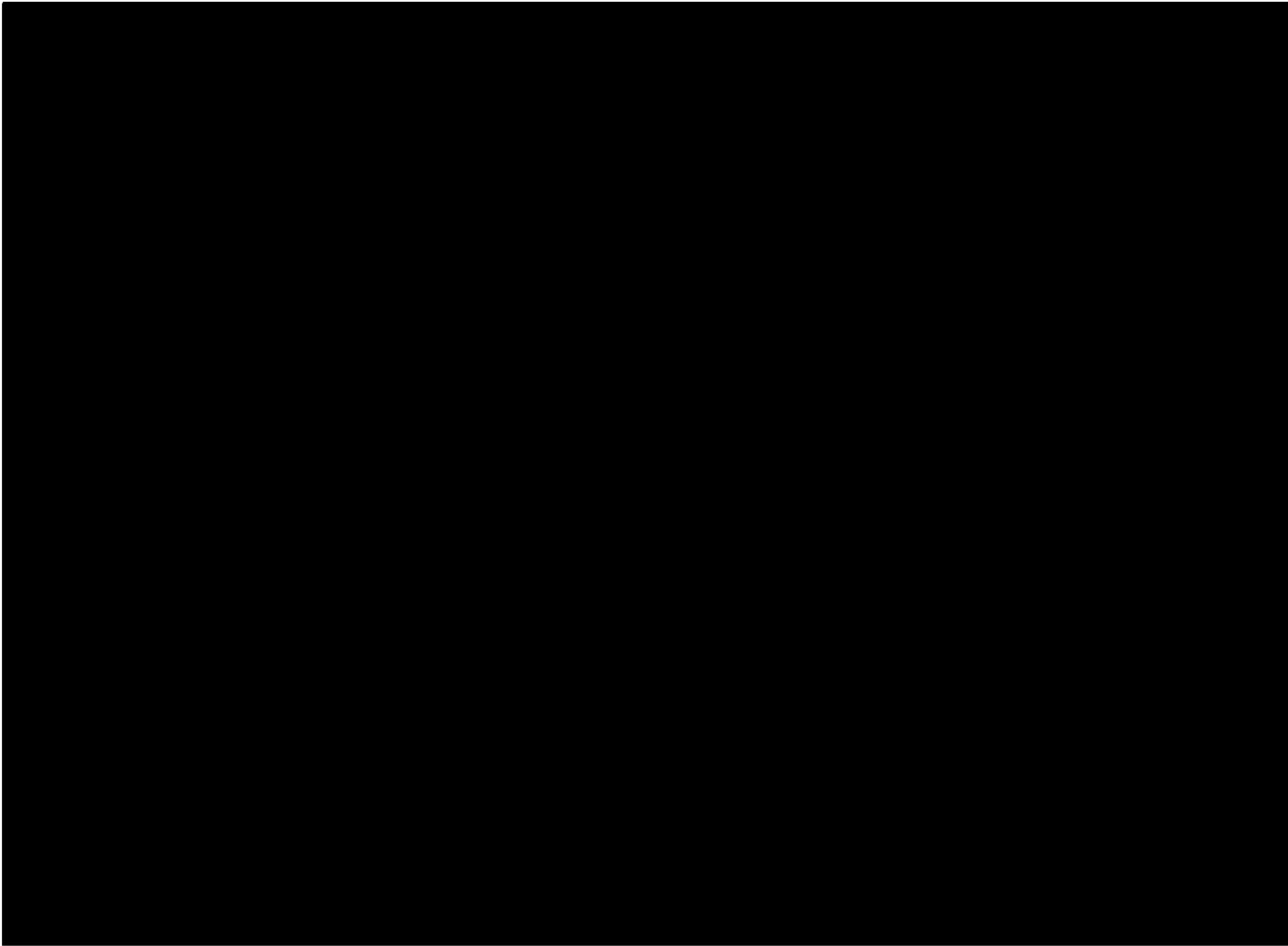


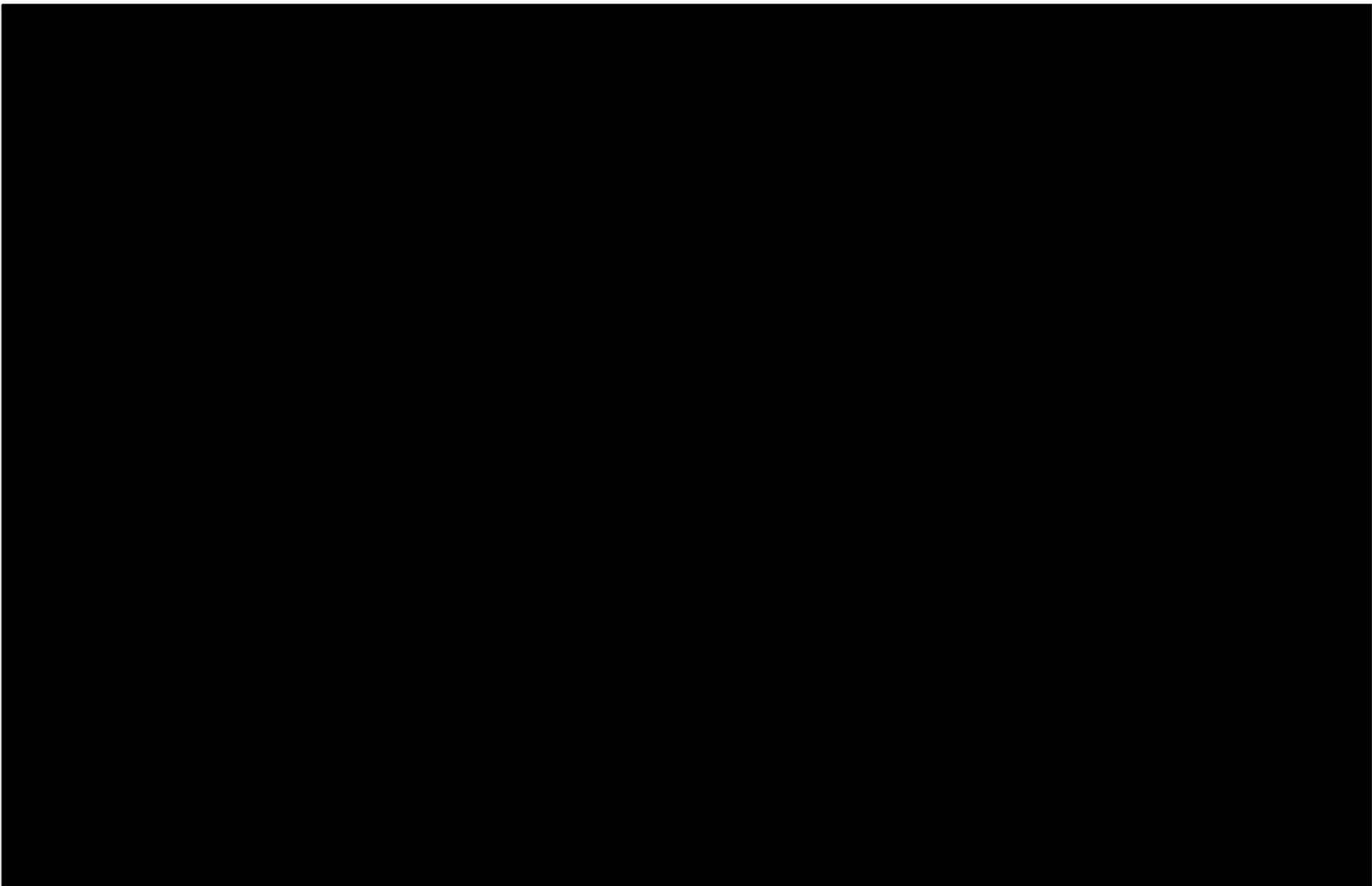


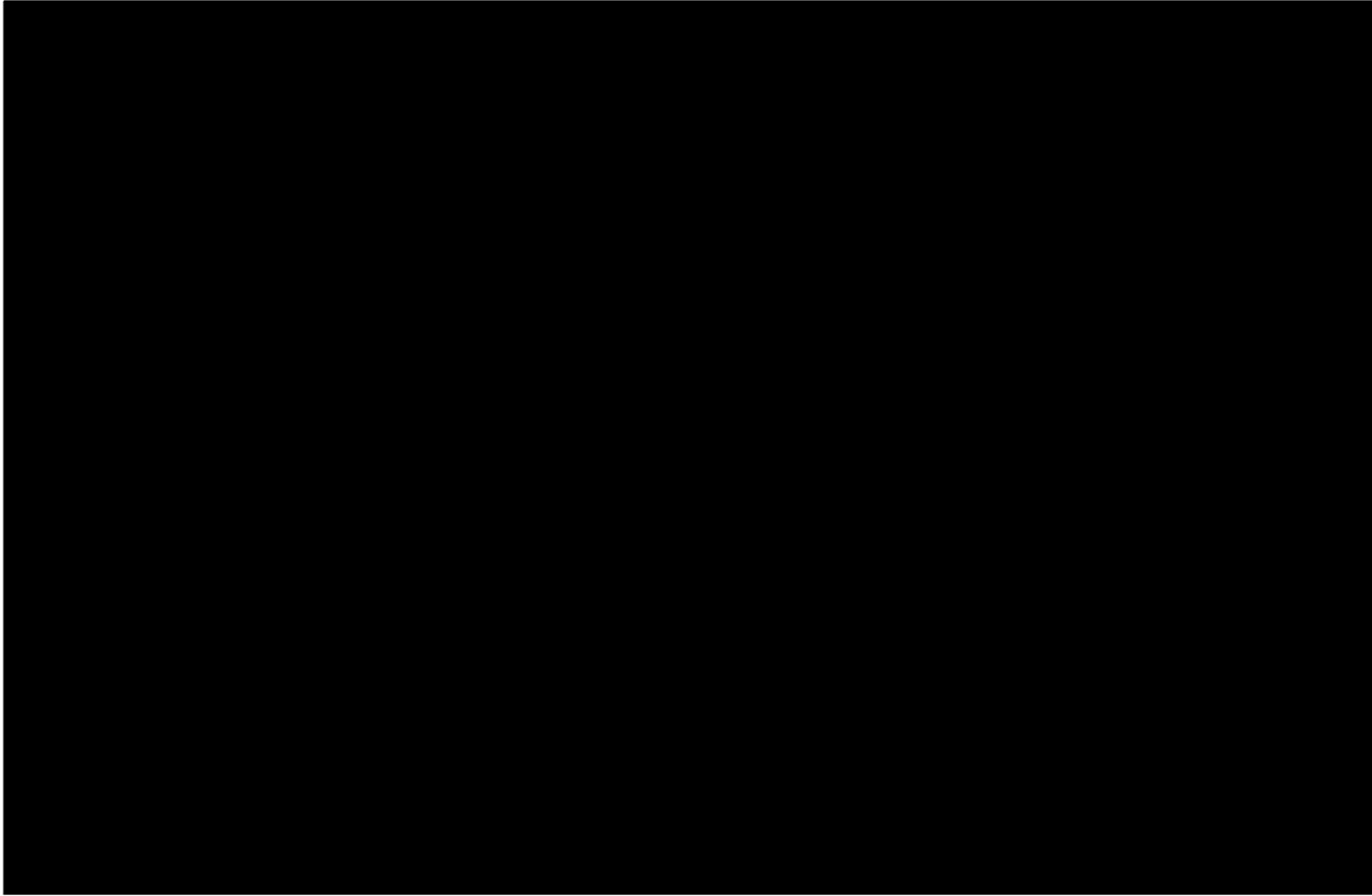




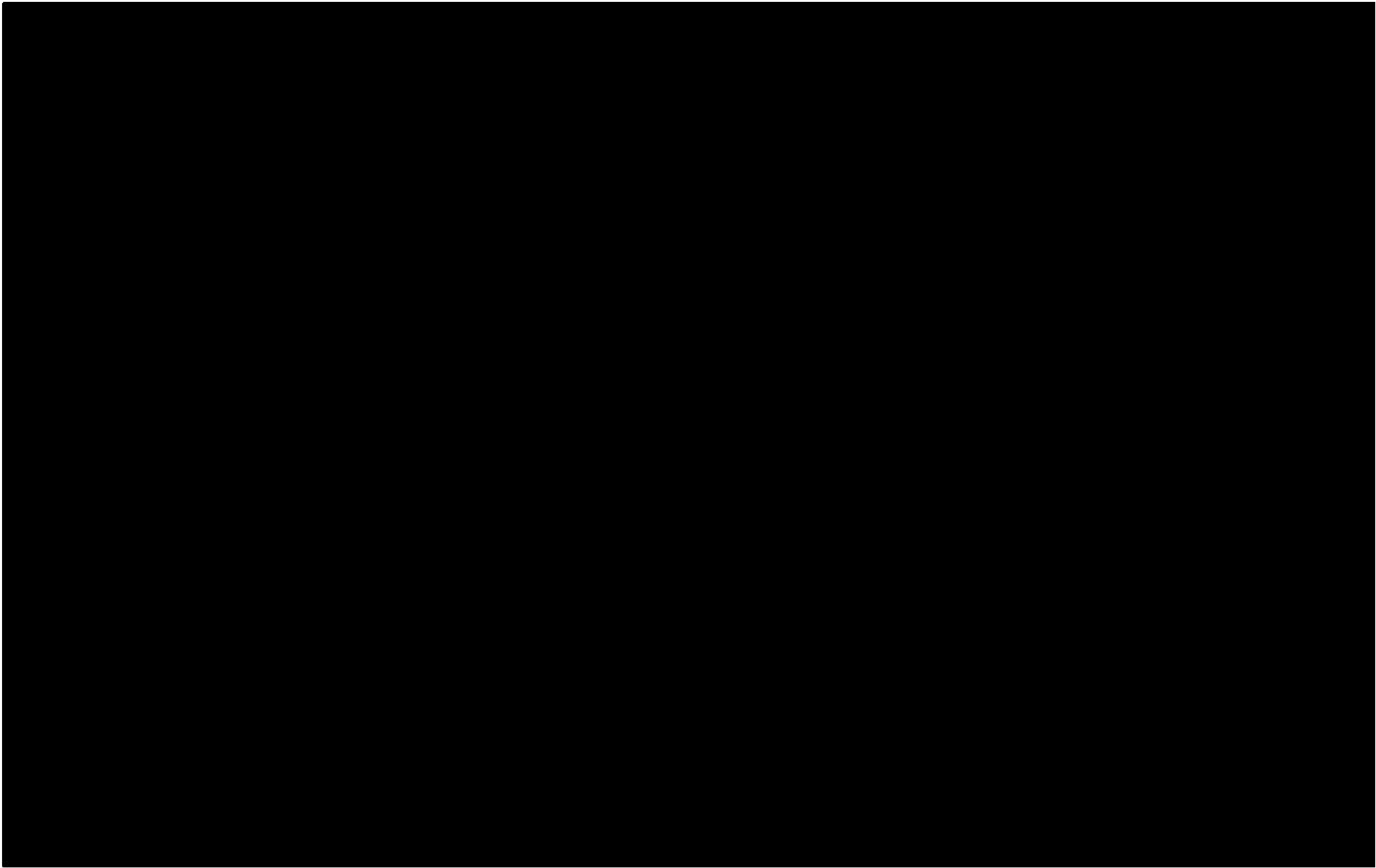






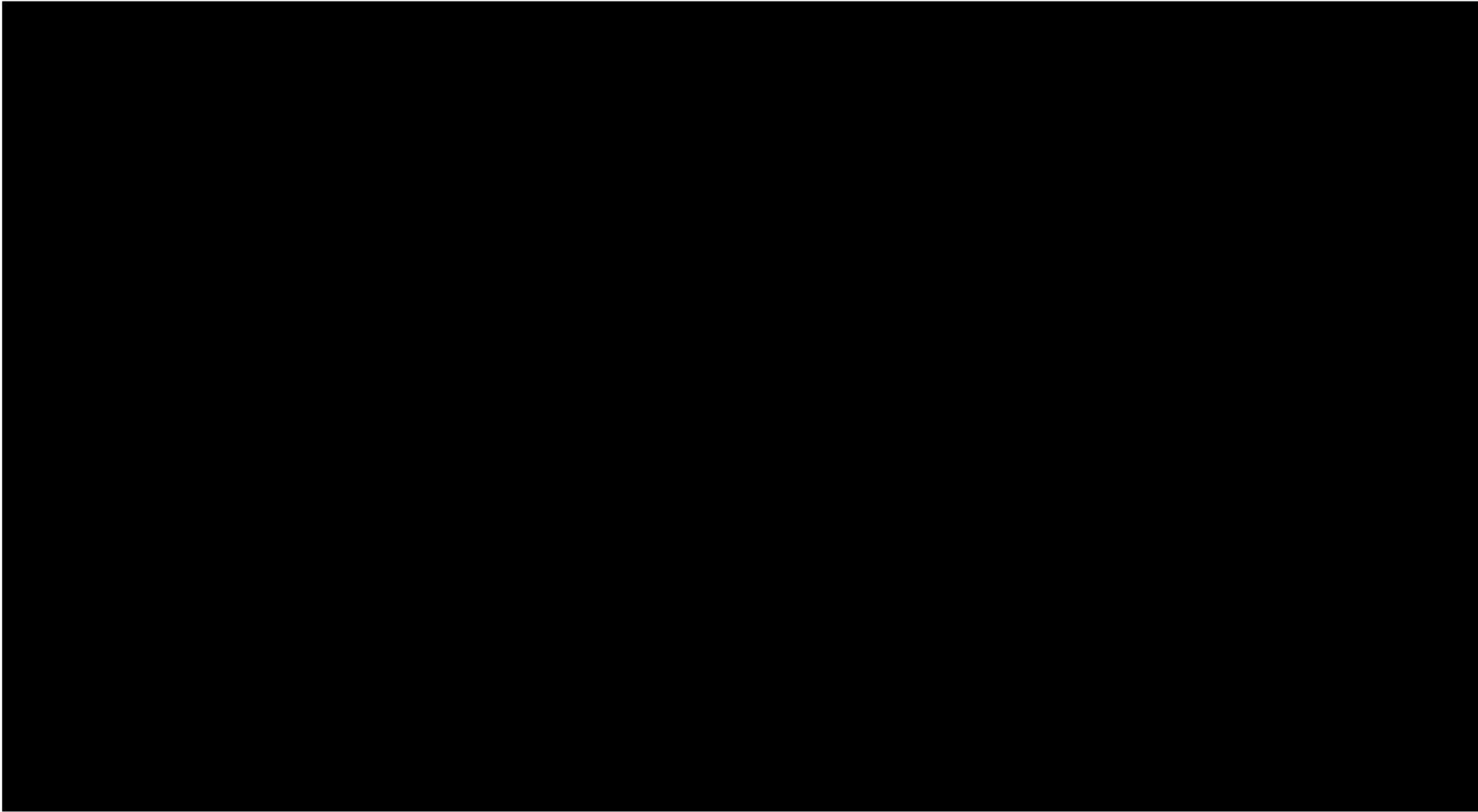






03 Independent Testing

ALVAREZ & MARSAL



Independent Testing

KYC/KYB Testing Dashboard

Sample #	Test 1	Test 2
1	✓	✓
2	✓	✓
3	✓	✓
4	✓	✓
5	✓	✓
6	✓	✓
7	O1/R1	✓
8	✓	✓
9	✓	✓
10	✓	✓

Tick mark Legend

✓	Test passed.
O	A&M observation noted.
R	A&M recommendation.

Test Steps:

- 1) Verify the customer has passed the BVI test in LexisNexis (>=40).
- 2) Verify the customer was screened and not a match in GIACT.

Observations/Recommendations:

O1/R1) Customer failed BVI check. A&M noted BSA/AML procedures and/or the KYB/KYC Desktop Procedures should more clearly account for process for EDD when BVI score in CLEAR is below 40.

Independent Testing

Payroll/Loan Amount Verification Testing Dashboard

Sample #	Test 1
1	✓
2	O1
3	✓
4	✓
5	O2
6	O2
7	O3
8	✓
9	O4
10	✓

*A&M did not perform a recalculation of Kabbage's payroll calculation.

Tick mark Legend

✓	Test passed.
O	A&M observation noted.

Test Steps:

- 1) Verify the customer has provided all required payroll documentation.

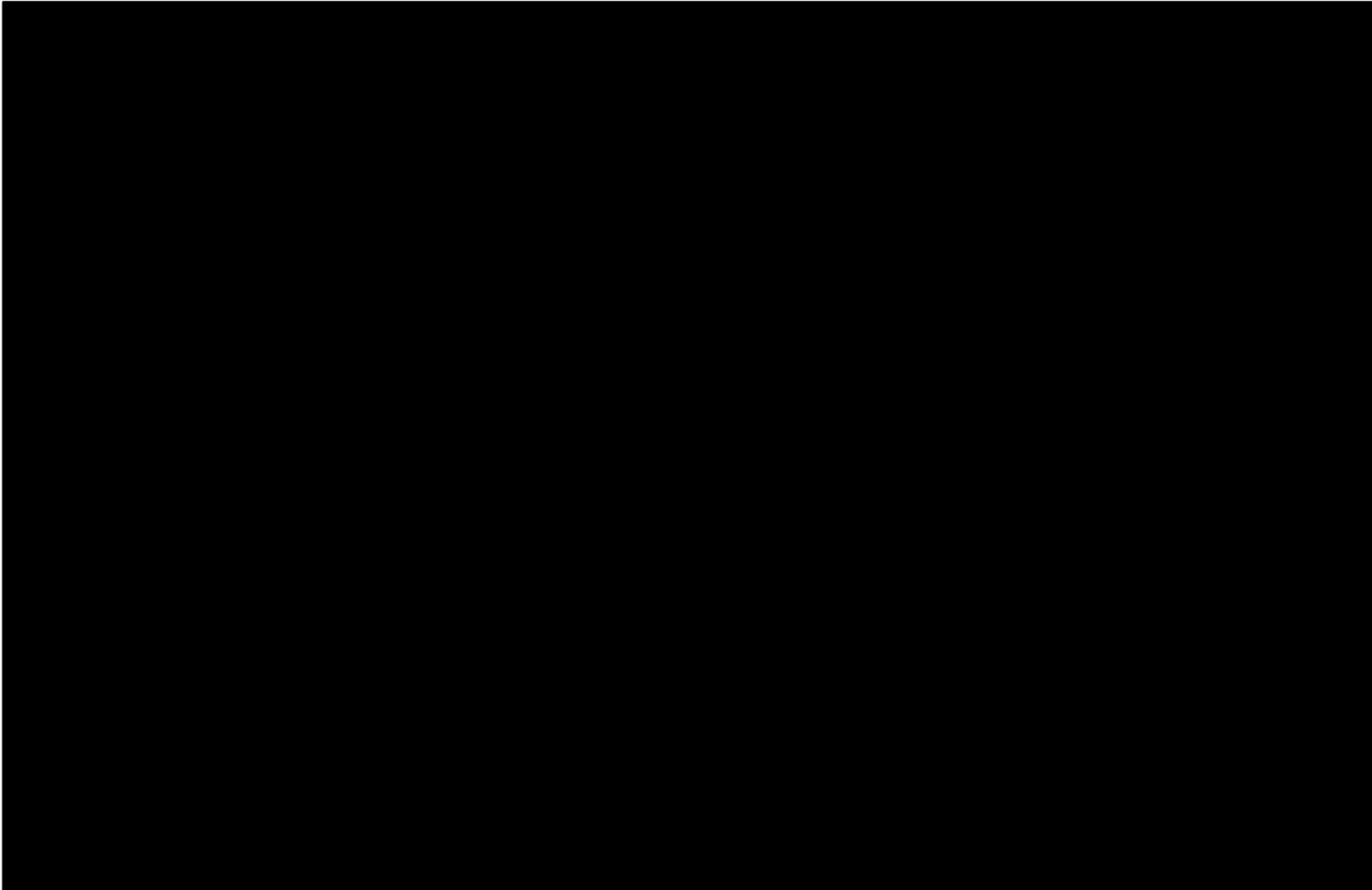
Observations:

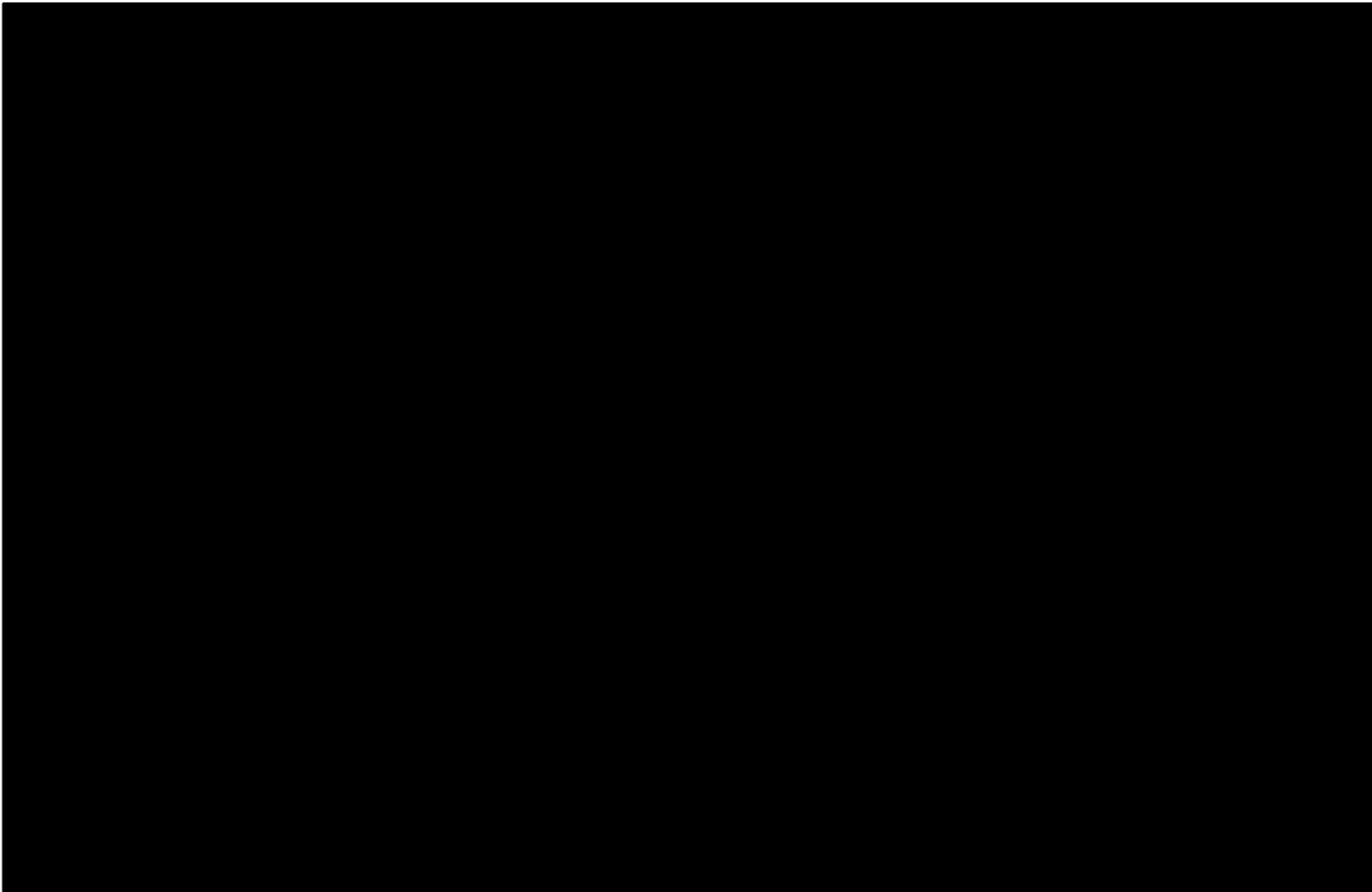
O1) Missing the following documents: 2019 IRS Form 940; Payroll statement covering 2/15/2020.

O2) Missing 2019 IRS Form 940.

O3) A&M noted that the borrower did not provide IRS Form 940. However, the borrower provided a paystub evidencing the year to date federal and state withholding taxes.

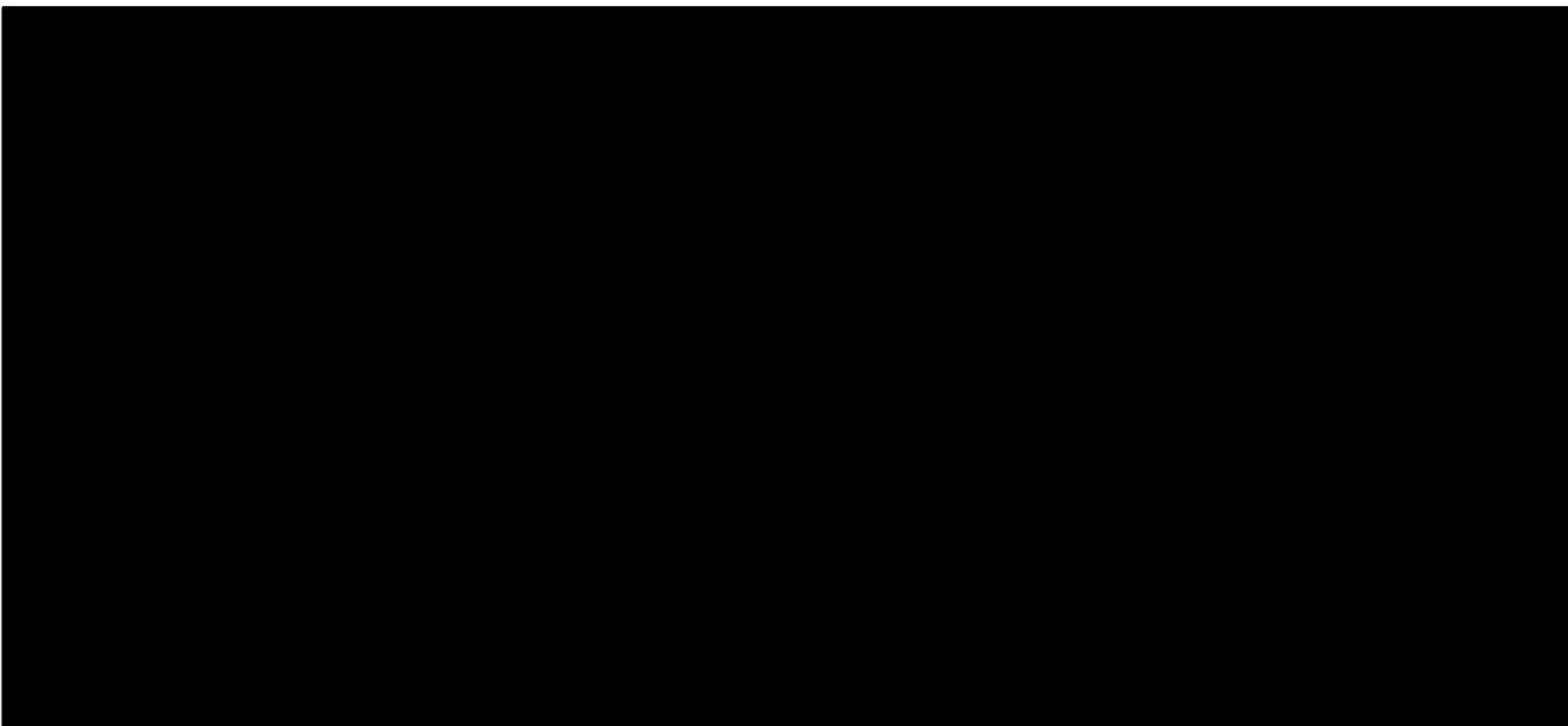
O4) W-3 form was not provided. However, the borrower uploaded documentation evidencing total number of employees and detailed payroll schedules.






04 Appendices

ALVAREZ & MARSAL



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Date: Wednesday, May 19 2021 03:33 PM
Subject: Re: FW: PP Article - Found All 5 - With SBA Data
From: [REDACTED]@kservicecorp.com>
To: [REDACTED]@kservicecorp.com>;
CC: [REDACTED]@kservicecorp.com>;

Beefy King – Kabbage. Loan #9847228102. KID 2347666.

- flagged as verified fraud on 3/26/21
- not on recall sheet
- no funds recovered

Tomato Cramer – Kabbage. Loan #9998268100. KID 2359212.

- flagged as verified fraud on 3/19/2021
- not on recall sheet
- no funds recovered

Seaweed Bleiman – Kabbage. Loan #4754188003. KID 2377970.

- flagged as verified fraud on 07/23/2020
- not on recall sheet
- no funds recovered

Deely Nuts – Kabbage. Loan #1117028201. KID 2377761.

- flagged as verified fraud on 03/19/2021
- not on recall sheet
- no funds recovered

Ritter Wheat Club – Kabbage. Loan # 4283198009. KID 2347878.

- flagged as verified fraud on 03/23/2021
- not on recall sheet
- no funds returned

Let me know if there's anything else we can check for!

[REDACTED]
Financial Operations, KServicing for Kabbage
[REDACTED]@kservicecorp.com

On Wed, May 19, 2021 at 10:05 AM [REDACTED]@kservicecorp.com > wrote:
Per slack.

[REDACTED]
CFO
[REDACTED]
www.kservicing.com
Kabbage, Inc.

----- Forwarded message -----

From: [REDACTED]@kservicecorp.com >
Date: Wed, May 19, 2021 at 9:46 AM
Subject: Fwd: FW: PP Article - Found All 5 - With SBA Data
To: [REDACTED]@kservicecorp.com >, [REDACTED]@kservicecorp.com >

----- Forwarded message -----

From: [REDACTED]@kservicecorp.com >
Date: Wed, May 19, 2021 at 9:41 AM
Subject: FW: PP Article - Found All 5 - With SBA Data
To: [REDACTED]@kservicecorp.com >

[REDACTED]

The SBA Dataset lists Kabbage as the Originating Lender for all 5. For Servicing Lender, 3 are with Kabbage and 2 are with Cross River. Most of them are on all three NJ CPA Firm and IPs, and our Farm Fraud Ring. All are on our Farm Fraud Ring.

Business Name - Lender, Loan, KID. Part of Fraud List.

Ritter Wheat Club – Kabbage. Loan # 4283198009. KID 2347878. Is on: NJ CPA Firm, CPA Firm IPs, and Farm Fraud Lists

<https://kabbageservicing.box.com/s/pf47o8r3vuchhveamda5q1vgf5f3t100>

Deely Nuts – Kabbage. Loan #1117028201. KID 2377761. Is on: NJ CPA Firm, CPA Firm IPs, and Farm Fraud Lists

<https://kabbageservicing.box.com/s/k8aq8pezrcbqrtzul9owomnbtv9a1c3j>

Seaweed Bleiman – Kabbage. Loan #4754188003. KID 2377970. Is on: NJ CPA Firm, CPA Firm IPs, and Farm Fraud Lists

<https://kabbageservicing.box.com/s/o9p7u8ufge130sbxcs9z0vm9ohx3yeh8>

Tomato Cramber – Kabbage. Loan #9998268100. KID 2359212. Is on: CPA Firm IPs and Farm Fraud Lists

<https://kabbageservicing.box.com/s/ju6n5zy8rn3ii2jmods5p9cwp9su64ih>

Beefy King – Kabbage. Loan #9847228102. KID 2347666. Is on: CPA Firm IPs and Farm Fraud Lists

<https://kabbageservicing.box.com/s/wnc5x48v2fpus2sqnvvnevhd0tk1wk5>



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From: [REDACTED]@kservicecorp.com >
Sent: Tuesday, May 18, 2021 12:37
To: [REDACTED]@kservicecorp.com >
Subject: Re: PP Article - Found 1 of 5

Thanks - can you see who the issuing lender was in the SBA dataset?

On Tue, May 18, 2021 at 12:33 PM [REDACTED]@kservicecorp.com > wrote:

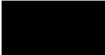
[REDACTED] – Based on an initial limited search, found 1 of 5.

Tomato Cramber. KID 2359212.

It is on both, [REDACTED]'s NJ CPA Firm IP and our Farm Fraud Ring, lists. We had produced records and sent to SBA under ID 501 – Set 2 of 9. Here is the link:

<https://kabbageservicing.box.com/s/ju6n5zy8rn3ii2jmods5p9cwp9su64ih>

I will look for the other 4. If not found, it will at least confirm in SBA's dataset that the issuing lender was not Kabbage.

Best regards -- 



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--



General Counsel

Kabbage Inc.

730 Peachtree Street

Suite 1100

Atlanta GA 30308

[REDACTED]

--

[REDACTED]

General Counsel
Kabbage Inc.
730 Peachtree Street
Suite 1100
Atlanta GA 30308

[REDACTED]

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 JAMES W RITTER		Social security number (SSN) Company A
A Principal business or profession, including product or service (see instructions) WHEAT FARMING WHEAT FARMING FIELD AND SEED PRODUCTION		B Enter code from instructions ▶ 999999
C Business name. If no separate business name, leave blank. RITTER WHEAT CLUB		D Employer ID number (EIN) (see instr.)
E Business address (including suite or room no.) ▶ 21 SECOND STREET City, town or post office, state, and ZIP code BARNEGAT, NJ 08005		
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	205,332.
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	205,332.
4 Cost of goods sold (from line 42)	4	41,551.
5 Gross profit. Subtract line 4 from line 3	5	163,781.
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	163,781.

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):	20	
11 Contract labor (see instructions)	11		20a	a Vehicles, machinery, and equipment	20a	
12 Depletion	12	2,142.	20b	b Other business property	20b	18,477.
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	7,544.	23	Taxes and licenses	23	
16 Interest (see instructions):			24	Travel and meals:	24	
a Mortgage (paid to banks, etc.)	16a		24a	a Travel	24a	
b Other	16b	254.	24b	b Deductible meals (see instructions)	24b	983.
17 Legal and professional services	17	655.	25	Utilities	25	
18 Total expenses before expenses for business use of home. Add lines 8 through 27a ▶	18		26	Wages (less employment credits)	26	
19 Tentative profit or (loss). Subtract line 18 from line 7	19		27a	Other expenses (from line 48)	27a	1,690.
20 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	20		27b	Reserved for future use	27b	
21 Net profit or (loss). Subtract line 20 from line 19. • 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.	21		28	Total expenses before expenses for business use of home. Add lines 8 through 27a ▶	28	31,745.
22 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.	22		29	Tentative profit or (loss). Subtract line 28 from line 7	29	132,036.
			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 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	132,036.
				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 <input checked="" type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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 41,551.
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 41,551.
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 41,551.

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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
46	Do you (or your spouse) have another vehicle available for personal use?.	<input type="checkbox"/> Yes <input type="checkbox"/> No
47a	Do you have evidence to support your deduction?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If "Yes," is the evidence written?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

PHONE EXPENSES	856.	
MISC BUSINESS EXPENSES	366.	
PRINTER PAPER	254.	
LAUNDRY	214.	
48	Total other expenses. Enter here and on line 27a	48 1,690.



Sign in

Kathleen,

This is a confirmation that deely nuts has taken **an SBA loan of \$20,833** through the Paycheck Protection Program (PPP)*.

- **\$20,833** will be deposited into your **Company P** account by **August 06, 2020**.
- Up to 100% of the amount of your PPP loan may be forgiven if you use at least 60% of the loan to cover payroll costs, and the rest on business mortgage interest payments on real or personal property, rent payments, or certain utility payments during your applicable Covered Period after the loan is disbursed.¹
- Certain reductions in employee salaries or headcount may impact the extent to which you qualify for loan forgiveness.
- Any amount that is *not* forgiven will be treated as a five-year loan with a 1% fixed interest rate.²
- All payments (principal, interest and fees) are deferred until you receive a decision on loan forgiveness. However, interest will continue to accrue over this period.

Log in to review your loan details.

[Log in](#)

Loan forgiveness next steps

- The SBA is not yet processing applications and is continuing to finalize the forgiveness requirements. We'll let you know when we're able to begin accepting loan forgiveness applications through the Kabbage dashboard.
- It may be advisable to wait to apply for two reasons: 1) Guidelines have yet to be finalized, and 2) You'll have more time to accrue and track eligible expenses, which may help you maximize your business's loan forgiveness amount.
- You can learn more about how loan forgiveness works and prepare documents to verify how you used your loan. The SBA website also provides comprehensive materials on the loan forgiveness rules and loan forgiveness application process, including sample loan forgiveness application forms and instructions.

Regards,

Kabbage Customer Service Team

Have questions about the PPP?

[Learn more here.](#)

¹ Requests for loan forgiveness must be made directly to your lender and are subject to lender approval.

² PPP loans approved by the SBA after 6/5/2020 will have a 5-year term.

*At this time, Kabbage is offering Paycheck Protection Program ("Program") loans directly as an approved U.S. Small Business Administration ("SBA") lender and indirectly on behalf of one or more approved lenders.

Borrowers are responsible for reviewing and understanding the SBA Paycheck Protection Program's rules. The Paycheck Protection Program rules are subject to change. Borrowers are encouraged to visit the [SBA website](#) to review program rules and guidance. This email is provided for informational purposes only and is not legal advice.



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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 KATHLEEN DEELY		Social security number (SSN) Company P
A Principal business or profession, including product or service (see instructions) TREE NUT FARMING	B Enter code from instructions ▶ 9 9 9 9 9 9	
C Business name. If no separate business name, leave blank. DEELY NUTS	D Employer ID number (EIN) (see instr.)	
E Business address (including suite or room no.) ▶ City, town or post office, state, and ZIP code		
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	256,055.
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	256,055.
4 Cost of goods sold (from line 42)	4	45,990.
5 Gross profit. Subtract line 4 from line 3	5	210,065.
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	210,065.

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8	3,260.	18 Office expense (see instructions)	18	1,258.
9 Car and truck expenses (see instructions)	9		19 Pension and profit-sharing plans	19	
10 Commissions and fees	10	1,858.	20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	1,959.
12 Depletion	12	5,655.	b Other business property	20b	5,219.
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		21 Repairs and maintenance	21	2,154.
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15	1,259.	23 Taxes and licenses	23	
16 Interest (see instructions):			24 Travel and meals:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	2,181.
b Other	16b	5,490.	b Deductible meals (see instructions)	24b	2,258.
17 Legal and professional services	17	1,290.	25 Utilities	25	
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	176,224.			
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.		

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11334P

Schedule C (Form 1040 or 1040-SR) 2019

CDA

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 JOSEPH SCHREMP		Social security number (SSN) Company H
A Principal business or profession, including product or service (see instructions) STRAWBERRY FARMING		B Enter code from instructions ▶ 9999999
C Business name. If no separate business name, leave blank. STRAWBERRY JOSEPH SCHREMP		D Employer ID number (EIN) (see instr.)
E Business address (including suite or room no.) ▶ 88307 562ND AVE City, town or post office, state, and ZIP code HARTINGTON, NE 68739		
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	159,455.
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	159,455.
4 Cost of goods sold (from line 42)	4	37,422.
5 Gross profit. Subtract line 4 from line 3	5	122,033.
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	122,033.

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8			18 Office expense (see instructions)	18	574.
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	2,411.		b Other business property	20b	16,800.
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	1,265.		b Deductible meals (see instructions)	24b	1,172.
17 Legal and professional services	17			25 Utilities	25	
				26 Wages (less employment credits)	26	
				27a Other expenses (from line 48)	27a	4,630.
				b Reserved for future use	27b	
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28			28		26,852.
29 Tentative profit or (loss). Subtract line 28 from line 7	29			29		95,181.
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			30		
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			31		95,181.
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 <input checked="" type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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 37,422.
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 37,422.
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 37,422.

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.

AUTO EXPENSES	980.
TOOLS AND ACCESSORIES	1,150.
OFFICE SUPPLIES	2,500.
48 Total other expenses. Enter here and on line 27a	48 4,630.

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

KEVIN THOMAS

Social security number (SSN)

Company G

A Principal business or profession, including product or service (see instructions)

OTHER FOOD CROPS GROWN UNDER COVER

B Enter code from instructions

▶ 9 9 9 9 9 9

C Business name. If no separate business name, leave blank.

TOMATO CRAMBER

D Employer ID number (EIN) (see instr.)

E Business address (including suite or room no.) ▶ 908 BIRCH DRIVE

City, town or post office, state, and ZIP code BRIELLE, NJ 08730

F Accounting method: (1) Cash (2) Accrual (3) Other (specify) ▶

G Did you "materially participate" in the operation of this business during 2019? If "No," see instructions for limit on losses Yes No

H If you started or acquired this business during 2019, check here

I Did you make any payments in 2019 that would require you to file Form(s) 1099? (see instructions) Yes No

J If "Yes," did you or will you file required Forms 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	98,550.
2	Returns and allowances	2	
3	Subtract line 2 from line 1	3	98,550.
4	Cost of goods sold (from line 42)	4	12,500.
5	Gross profit. Subtract line 4 from line 3	5	86,050.
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	86,050.

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8	Advertising	8	2,680.	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	1,890.	b	Other business property	20b	5,100.
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		21	Repairs and maintenance	21	3,780.
14	Employee benefit programs (other than on line 19)	14		22	Supplies (not included in Part III)	22	
15	Insurance (other than health)	15	5,200.	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	1,640.	b	Deductible meals (see instructions)	24b	
17	Legal and professional services	17	3,800.	25	Utilities	25	
18				26	Wages (less employment credits)	26	
19				27a	Other expenses (from line 48)	27a	810.
20				b	Reserved for future use	27b	
21				28	Total expenses before expenses for business use of home. Add lines 8 through 27a	28	24,900.
22				29	Tentative profit or (loss). Subtract line 28 from line 7	29	61,150.
23				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	
24				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	61,150.
25				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.		
26				32a	<input checked="" type="checkbox"/> All investment is at risk.		
27				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 or 1040-SR) 2019

CDA

Part III Cost of Goods Sold (see instructions)

33	Method(s) used to value closing inventory: a <input checked="" type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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 12,500.
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 12,500.
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 12,500.

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.

OFFICE SUPPLIES	530.
PHONE EXPENSES	280.
48 Total other expenses. Enter here and on line 27a	48 810.

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: JOSEPH H MANCINI
Social security number (SSN): Company E
A Principal business or profession, including product or service (see instructions): BEEF CATTLE RANCHING AND FARMING
B Enter code from instructions: 112900
C Business name. If no separate business name, leave blank: BEEFY KING
D Employer ID number (EIN) (see instr.)
E Business address (including suite or room no.): 143 WEST NEW JERSEY AVE
City, town or post office, state, and ZIP code: BEACH HAVEN, NJ 08008
F Accounting method: (1) [X] Cash (2) [] Accrual (3) [] Other (specify)
G Did you "materially participate" in the operation of this business during 2019? [X] Yes [] No
H If you started or acquired this business during 2019, check here []
I Did you make any payments in 2019 that would require you to file Form(s) 1099? [] Yes [X] No
J If "Yes," did you or will you file required Forms 1099? [] Yes [] No

Part I Income

Table with 7 rows for income items: 1 Gross receipts or sales (186,541), 2 Returns and allowances, 3 Subtract line 2 from line 1 (186,541), 4 Cost of goods sold (54,475), 5 Gross profit (132,066), 6 Other income, 7 Gross income (132,066).

Part II Expenses. Enter expenses for business use of your home only on line 30.

Table with 31 rows for expense items: 8 Advertising, 9 Car and truck expenses, 10 Commissions and fees, 11 Contract labor, 12 Depletion (8,744), 13 Depreciation and section 179 expense deduction, 14 Employee benefit programs, 15 Insurance (1,474), 16 Interest (16a Mortgage, 16b Other 250), 17 Legal and professional services, 18 Office expense (758), 19 Pension and profit-sharing plans, 20 Rent or lease (20a Vehicles, 20b Other business property 17,422), 21 Repairs and maintenance, 22 Supplies, 23 Taxes and licenses, 24 Travel and meals (24a Travel, 24b Deductible meals 837), 25 Utilities, 26 Wages, 27a Other expenses (3,856), 27b Reserved for future use, 28 Total expenses before home expenses (33,341), 29 Tentative profit or (loss) (98,725), 30 Expenses for business use of your home, 31 Net profit or (loss) (98,725).

32a [X] 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 or 1040-SR) 2019

CDA

Part III Cost of Goods Sold (see instructions)

33	Method(s) used to value closing inventory: a <input checked="" type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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 54,475.
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 54,475.
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 54,475.

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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
46	Do you (or your spouse) have another vehicle available for personal use?	<input type="checkbox"/> Yes <input type="checkbox"/> No
47a	Do you have evidence to support your deduction?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If "Yes," is the evidence written?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

UNIFORMS	1,475.	
TOOLS AND ACCESSORIES	856.	
PHONE EXPENSES	1,525.	
48	Total other expenses. Enter here and on line 27a	48 3,856.



**Paycheck Protection Program
Borrower Application Form Revised June 12, 2020**

OMB Control No.: 3245-0407
Expiration Date: 10/31/2020

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 type="checkbox"/> Independent contractor <input checked="" 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 <p align="center" style="font-size: 1.2em;">RITTER WHEAT CLUB</p>	
Business Legal Name		
RITTER WHEAT CLUB		
Business Address	Business TIN (EIN, SSN)	Business Phone
21 Second Street	Company A	(973) 455-2211
barnegat NJ 08005	Primary Contact	Email Address
	James ritter	aruonamari.predom9@yahoo.

Average Monthly Payroll:	\$ 8334	x 2.5 = EIDL, Net of Advance (if Applicable) Equals Loan Request:	\$ 20833.00	Number of Employees:	1
Purpose of the loan (select more than one): <input checked="" type="checkbox"/> Payroll <input 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
See attached form labeled owners				

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? <small>Initial here to confirm your response to question 5 →</small> <u>JK</u>	<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, 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 nolo contendere; or 4) been placed on any form of parole or probation (including probation before judgment)? <small>Initial here to confirm your response to question 6 →</small> <u>JK</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 Revised June 12, 2020**

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:

- 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.
- Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- 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.
- 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 24-week period following this loan.
- 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 40% of the forgiven amount may be for non-payroll costs.
- 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.
- 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.
- 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

DocuSigned by:
James Ritter

James Ritter

Signature of Authorized Representative of Applicant

James Ritter

Print Name

7/9/2020

Date

ceo

Title



**Paycheck Protection Program
Borrower Application Form Revised June 12, 2020**

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 or any 12-week period between May 1, 2019 and September 15, 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. **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 (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.



**Paycheck Protection Program
Borrower Application Form Revised June 12, 2020**

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) – 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.

Owners

Name	Title	Ownership %	TIN	Address
James ritter	ceo	100	Company A	21 Second Street barnegat NJ 08005

Addendum A

RESOLUTION TO BORROW

Principal \$ 20833.00	Loan Date 7/9/2020	Maturity Date	Loan No 4283198009	Call / Coll	Account	James Ritter Officer	Initials JK
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DS

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: RITTER WHEAT CLUB
21 Second Street
barnegat NJ 08005

Lender: Kabbage, Inc.
925B Peachtree Street NE
Suite 1688
Atlanta, GA 30309

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

RITTER WHEAT CLUB

THE BORROWER'S EXISTENCE. The complete and correct name of the borrower is _____ ("Borrower"). The Borrower is a duly formed entity which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of its organization. The Borrower is duly authorized to transact business in all other states in which the Borrower is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Borrower is doing business. Specifically, the Borrower is, and at all times shall be, duly qualified as a foreign entity in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Borrower has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Borrower maintains an office at the address set forth above. Unless the Borrower has designated otherwise in writing, the principal office is the office at which the Borrower keeps its books and records. The Borrower will notify Lender prior to any change in the location of the Borrower's state of organization or any change in the Borrower's name. The Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Borrower and the Borrower's business activities.

RESOLUTIONS ADOPTED. At a meeting of the directors or members of the Borrower, or if the Borrower is a close corporation having no Board of Directors then at a meeting of the Borrower's shareholders, duly called and held on _____, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

OFFICER. The following named person is an officer of Borrower:

NAMES	TITLES	AUTHORIZED
<u>James Ritter</u>	<u>ceo</u>	<u>y</u>

DocuSigned by: ACTUAL SIGNATURES
James Ritter
 ACA0A40DB695477...

ACTIONS AUTHORIZED. The authorized person listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Borrower. Specifically, but without limitation, the authorized person is authorized, empowered, and directed to do the following for and on behalf of the Borrower:

Borrow Money. To borrow, as a cosigner or otherwise, from time to time from Lender, on such terms as may be agreed upon between the Borrower and Lender, such sum or sums of money as in his or her judgment should be borrowed, without limitation.

Execute Notes. To execute and deliver to Lender the promissory note or notes, or other evidence of the Borrower's credit accommodations, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Borrower's indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

Negotiate Items. To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Borrower or in which the Borrower may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Borrower's account with Lender, or to cause such other disposition of the proceeds derived therefrom as he or she may deem advisable.

ASSUMED BUSINESS NAMES. The Borrower has filed or recorded all documents or filings required by law relating to all assumed business names used by the Borrower. Excluding the name of the Borrower, the following is a complete list of all assumed business names under which the Borrower does business: RITTER WHEAT CLUB

NOTICES TO LENDER. The Borrower will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Borrower's name; (B) change in the Borrower's assumed business name(s); (C) change in the management of the Borrower; (D) change in the authorized signer(s); (E) change in the Borrower's principal office address; (F) change in the Borrower's state of organization; (G) conversion of the Borrower to a new or different type of business entity; or (H) change in any other aspect of the Borrower that directly or indirectly relates to any agreements between the Borrower and Lender. No change in the Borrower's name or state of organization will take effect until after Lender has received notice.

**RESOLUTION TO BORROW
(Continued)**

CERTIFICATION CONCERNING OFFICERS AND RESOLUTIONS. The officer named above is duly elected, appointed, or employed by or for the Borrower, as the case may be, and occupies the position set opposite his or her respective name. This Resolution now stands of record on the books of the Borrower, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

NO CORPORATE SEAL. The Borrower n has no corporate seal, and therefore, no seal is affixed to this Resolution.

CONTINUING VALIDITY. Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Borrower's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, I have hereunto set my hand and attest that the signature set opposite the name listed above is his or her genuine signature.

I have read all the provisions of this Resolution, and personally and on behalf of the Borrower certify that all statements and representations made in this Resolution are true and correct. This Resolution to Borrow is dated as of the date set forth above.

CERTIFIED TO AND ATTESTED BY:

DocuSigned by:
James Ritter, as president, manager or managing member
ACA0A40DB695477...



U.S. Small Business Administration

NOTE

SBA Loan #	4283198009
SBA Loan Name	RITTER WHEAT CLUB
Date	7/9/2020
Loan Amount	\$ 20833.00
Interest Rate	1.0%
Borrower	RITTER WHEAT CLUB
Operating Company	RITTER WHEAT CLUB
Lender	Kabbage, Inc.

1. PROMISE TO PAY:

This Loan is being made by Lender to Borrower pursuant to the terms of the Paycheck Protection Program authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and pursuant to all regulations and guidance promulgated or provided by the SBA and other Federal agencies that are now, or may become, applicable to the Loan (the "Program"). In return for the Loan, Borrower promises to pay to the order of Lender the Loan Amount listed above, interest on the unpaid principal balance, and all other amounts required by this Note.

2. DEFINITIONS:

"Loan" means the loan evidenced by this Note.

"Loan Documents" means the documents related to this loan signed by Borrower.

"SBA" means the Small Business Administration, an Agency of the United States of America.

3. PAYMENT TERMS:

Borrower must make all payments in accordance with the Lender's payment instructions. Lender may modify these payment instructions by providing updated payment instructions to the Borrower in writing. The payment terms for this Note are:

- (1) The unpaid principal amount of this Note shall bear interest at a rate per annum equal to 1.00%, calculated on the basis of a 365 day year and the actual number of days elapsed and payable in cash according to the payment schedule

provided by the Lender.

- (2) No interest or principal payments will be required during the “Deferral Period,” defined as follows:
 - a. If Borrower applies for forgiveness within 10 months after the last day of the “Covered Period,” defined in section 1106(a) of the CARES Act, then the Deferral Period is the period after loan disbursement until the first loan cycle date, defined according to a schedule provided by Lender and following the date on which the amount of forgiveness determined under Section 1106 of the CARES Act is remitted to Lender.
 - b. If Borrower does not apply for forgiveness within 10 months after the last day of the Covered Period, then the Deferral Period is the Covered Period and the 10 months following the last day of the Covered Period.

Interest will continue to accrue during the Deferral Period.

- (3) After the Deferral Period and after taking into account any loan forgiveness applicable to the Loan pursuant to the Program, as approved by SBA, any remaining principal and accrued interest will be payable in accordance with an amortization schedule that provides for equal monthly installments over what remains of the 5 year term of the Loan, in the amount and according to the payment schedule provided by Lender at the end of the Deferral Period.
- (4) Lender will apply each installment payment first to accrued interest and then to principal.
- (5) Upon the maturity date as set forth in the payment schedule provided by the Lender, all unpaid or unforgiven principal, accrued interest and any other amounts outstanding pursuant to this Note will be due and payable.
- (6) The Borrower may prepay this Note in whole or in part at any time without penalty.
- (7) If a payment is made consistent with Lender’s payment instructions but received after 3:00 PM EST on a business day, Lender will credit the Borrower’s payment on the next business day.
- (8) Automatic Payment Authorization. Borrower authorizes Lender to initiate, on each business day, ACH debit and credit entries to the deposit account designated by Borrower for Loan disbursements (“Designated Account”) for all payments due under this Note, and to debit the Designated Account for such payments on the date each payment is due and to initiate, if necessary, additional entries for any entries credited or debited in error. Borrower acknowledges and agrees that, to the extent there are insufficient funds in the Designated Account to pay the required amounts when due, Borrower shall immediately pay to Lender all sums remaining unpaid. This authorization supplements, and does not limit, Lender’s rights under this Note. Borrower understands that this authorization will remain in full force and effect until the Borrower notifies Lender in writing of the Borrower’s wish to revoke this authorization, in which case Borrower is still responsible for making all further payments in a timely manner. The Borrower understands that Lender needs at least five (5) days prior notice to cancel this authorization. The Borrower signing below is authorized to make this request, and Lender is entitled to rely conclusively on this authorization until this authorization is terminated by Lender or the Borrower. Borrower agrees that ACH transactions must comply with the provisions of U.S. law and agrees to be bound by the National Automated Clearing House Association Operating Rules, as in effect from time to time and to the extent applicable, in connection with all such transactions.
- (9) If a debit is rejected or if Borrower otherwise fails to pay the amount due, Borrower agrees that Lender may (A) terminate further automatic debits, in which case Borrower will be responsible for making all further payments directly and in a timely manner, (B) debit the Designated Account at any time and from time to time, for any amounts due until paid in full, (C) subject to any right to notice of default and right to cure required by state law (which you agree to waive to the greatest extent possible), declare the outstanding Loan immediately due and payable and (D) pursue any and all other remedies available to Lender.

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:

- (1) Fails to do anything required by this Note and other Loan Documents;
- (2) Defaults on any other loan with Lender;
- (3) Does not disclose, or anyone acting on their behalf does not disclose, any material fact to Lender or SBA;
- (4) Makes, or anyone acting on their behalf makes, a materially false or misleading representation to Lender or SBA;
- (5) Defaults on any loan or agreement with another creditor, if Lender believes the default may materially affect Borrower's ability to pay this Note;
- (6) Fails to pay any taxes when due;
- (7) Becomes the subject of a proceeding under any bankruptcy or insolvency law;
- (8) Has a receiver or liquidator appointed for any part of their business or property;
- (9) Makes an assignment for the benefit of creditors;
- (10) Has any adverse change in financial condition or business operation that Lender believes may materially affect Borrower's ability to pay this Note;
- (11) Reorganizes, merges, consolidates, or otherwise changes ownership or business structure without Lender's prior written consent;
- (12) Becomes the subject of a civil or criminal action that Lender believes may materially affect Borrower's ability to pay this Note; or
- (13) For any reason it is determined that the Borrower is not eligible to obtain this Loan under the Program or otherwise violates any term or requirement of the Program.

5. LENDER'S RIGHTS IF THERE IS A DEFAULT:

Without notice or demand and without giving up any of its rights, Lender may:

- (1) Require immediate payment of all amounts owing under this Note;
- (2) Collect all amounts owing from any Borrower; or
- (3) File suit and obtain judgment.

6. LENDER'S GENERAL POWERS:

Without notice and without Borrower's consent, Lender may:

- (1) Incur expenses to collect amounts due under this Note and enforce the terms of this Note or any other Loan Document. Among other things, the expenses may include payments for 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;
- (2) Release anyone obligated to pay this Note; and
- (3) Take any action necessary to 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 includes its successors, and Lender includes its successors and assigns.

9. GENERAL PROVISIONS:

- (1) Borrower waives all suretyship defenses.
- (2) Borrower must sign all documents necessary at any time to comply with the Loan Documents and the Program.
- (3) 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.
- (4) Borrower may not use an oral statement of Lender or SBA to contradict or alter the written terms of this Note.
- (5) If any part of this Note is unenforceable, all other parts remain in effect.
- (6) 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 or collateral; did not obtain, perfect, or maintain a lien upon any collateral; or did not obtain the fair market value of any collateral at a sale.
- (7) Borrower agrees to modify this Note and any other Loan Document if requested by Lender in order to comply with the Program requirements and as necessary to ensure this Note is guaranteed by the SBA under the Program. Further, Borrower agrees that if the SBA or the U.S. Department of Treasury issues a form note or other related loan documentation or otherwise specifies documentation requirements with respect to loans made pursuant to the Program, Borrower will immediately execute such note and related loan documentation in such form as required to comply with all Program requirements as requested by Lender. Borrower hereby appoints Lender as its attorney-in-fact to sign such documentation on its behalf in the event Borrower is unavailable or unwilling to sign any such documentation for any reason, and such documentation will be enforceable as if signed directly by Borrower.
- (8) If Borrower is an entity, Borrower is currently existing, in good standing and duly organized under the laws of the state of its organization, and has the power to own its property and to carry on its business in each jurisdiction in which it operates.
- (9) Borrower has full power and authority to enter into this Note and the Loan Documents, to execute and deliver this Note and the Loan Documents, and to incur the obligations provided for in this Note, including the Loan, and the Loan Documents. No consent or approval of members or of any public authority is required as a condition to the validity of this Note or any Loan Documents. This Note has been duly executed and delivered by the Borrower.
- (10) Agreement to Conduct Electronic Transactions: The parties expressly agree that the transactions and interactions they have with one another in relation to this document may be conducted by electronic means. Without limiting the generality of the foregoing, the parties expressly agree that this Note, the Loan Documents and any other instruments, agreements, documents, and communications related to this Note, the Loan Documents or the matters addressed in this Note (each, inclusive of this document, a "Covered Document"), may be created, generated, sent, communicated, executed, signed, delivered, transmitted, received, retained, stored, authenticated, or otherwise processed, handled, or used by electronic means or in electronic form. In the event that any party hereto signs a Covered Document (including, without limitation, this Note) electronically, such party: (a) expressly states that such party has signed such Covered Document in electronic form using an electronic signature, and that such party intends for such party's electronic signature to be such party's signature to such Covered Document, and that by making such electronic signature, such party intends to sign such Covered Document; (b) agrees to the terms of such Covered Document in all respects, as if such party had signed a paper or other written or tangible version of such Covered Documents using a pen or other tangible writing instrument; and (c) agrees that any such

Covered Document will be valid for all legal purposes under all applicable law, including, without limitation and as applicable, under the Electronic Signatures in Global and National Commerce Act and the Uniform Electronic Transactions Act as enacted in the state whose governing law governs such Covered Document.

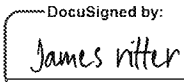
(11) Arbitration and Class Action Waiver. Any dispute, claim, or controversy relating in any way to this Note or your receipt or use of the Loan shall be, at the election of either party, resolved by binding arbitration under applicable Georgia law. Claims regarding the validity, enforceability or scope of this section or this Note including but not limited to whether a given claim or dispute is subject to arbitration will be determined by the arbitrator. The Federal Arbitration Act and federal arbitration law apply to this Note. The arbitration shall be administered by JAMS (www.jamsadr.com) and the arbitration shall be conducted in accordance with the Expedited Procedures of the JAMS. A single arbitrator shall be chosen in accordance with the procedures of JAMS. Any arbitration hearing will occur in Atlanta, Georgia. The arbitrator will apply the substantive law of the State of Georgia, exclusive of its conflict or choice of law rules. Either party may commence arbitration by providing to JAMS and the other party to the dispute a written demand for arbitration, setting forth the subject of the dispute and the relief requested. The arbitrator's award will be binding on the parties and may be entered as a judgment in any court of competent jurisdiction. The arbitrator may not consolidate more than one person's or entity's claims. **To the maximum extent permitted by law, the parties agree that any dispute, claim, or controversy in connection with this Note, whether in arbitration or in court, will be conducted only on an individual (non-class or non-representative) basis. Borrower waives any right to have any dispute, claim, or controversy in connection with this Note decided by a jury, and Borrower also waives any right to participate in a class action against Lender or its affiliates.**

10. STATE-SPECIFIC PROVISIONS:

Except as set forth in Section 7, this Note will be governed by the laws of the state of Georgia. State-specific disclosures pertaining to the Borrower are set forth in Addendum A.

IN WITNESS WHEREOF, Borrower has executed this Note as of the date first above written.

BORROWER: RITTER WHEAT CLUB

By: 
Name: James Ritter
Title: ceo

Addendum A to SBA Note

N/A

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

JAMES W RITTER

So

Company A

A Principal business or profession, including product or service (see instructions)

WHEAT FARMING WHEAT FARMING FIELD AND SEED PRODUCTION

B Enter code from instructions

▶ 999999

C Business name. If no separate business name, leave blank.

RITTER WHEAT CLUB

D Employer ID number (EIN) (see instr.)

E Business address (including suite or room no.) ▶ 21 SECOND STREET

City, town or post office, state, and ZIP code BARNEGAT, NJ 08005

F Accounting method: (1) Cash (2) Accrual (3) Other (specify) ▶

G Did you "materially participate" in the operation of this business during 2019? If "No," see instructions for limit on losses Yes No

H If you started or acquired this business during 2019, check here

I Did you make any payments in 2019 that would require you to file Form(s) 1099? (see instructions) Yes No

J If "Yes," did you or will you file required Forms 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	205,332.
2	Returns and allowances	2	
3	Subtract line 2 from line 1	3	205,332.
4	Cost of goods sold (from line 42)	4	41,551.
5	Gross profit. Subtract line 4 from line 3	5	163,781.
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	163,781.

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	2,142.	b	Other business property	20b	18,477.
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	7,544.	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	254.	b	Deductible meals (see instructions)	24b	983.
17	Legal and professional services	17	655.	25	Utilities	25	
18				26	Wages (less employment credits)	26	
28	Total expenses before expenses for business use of home. Add lines 8 through 27a	28	31,745.	27a	Other expenses (from line 48)	27a	1,690.
29	Tentative profit or (loss). Subtract line 28 from line 7	29	132,036.	27b	Reserved for future use	27b	
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		31	132,036.
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.						
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 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 or 1040-SR) 2019

CDA

Part III Cost of Goods Sold (see instructions)

33	Method(s) used to value closing inventory: a <input checked="" type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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 41,551.
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 41,551.
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 41,551.

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? <input type="checkbox"/> Yes <input type="checkbox"/> No
46	Do you (or your spouse) have another vehicle available for personal use? <input type="checkbox"/> Yes <input type="checkbox"/> No
47a	Do you have evidence to support your deduction? <input type="checkbox"/> Yes <input type="checkbox"/> No
b	If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No

Part V Other Expenses. List below business expenses not included on lines 8–26 or line 30.

PHONE EXPENSES	856.
MISC BUSINESS EXPENSES	366.
PRINTER PAPER	254.
LAUNDRY	214.
48	Total other expenses. Enter here and on line 27a 48 1,690.



Paycheck Protection Program Borrower Application Form Revised June 12, 2020

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:

- 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.
- Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- 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.
- 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 24-week period following this loan.
- 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 40% of the forgiven amount may be for non-payroll costs.
- 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.
- 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.
- 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

DocuSigned by:

kathleen deely
Signature of Authorized Representative of Applicant

kathleen deely

Print Name

7/30/2020
Date

director

Title



**Paycheck Protection Program
Borrower Application Form Revised June 12, 2020**

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 or any 12-week period between May 1, 2019 and September 15, 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. **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 (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.



**Paycheck Protection Program
Borrower Application Form Revised June 12, 2020**

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) – 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.

Owners

Name	Title	Ownership %	TIN	Address
Kathleen deely	director	100	Company P	313 Essex Ave beach Haven NJ 08008

Addendum A

RESOLUTION TO BORROW

Principal \$ 20833.00	Loan Date 7/30/2020	Maturity Date	Loan No 1117028201	Call / Coll	Account	Company P	Initials [Signature]
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DS

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: deely nuts
313 Essex Ave
beach Haven NJ 08008

Lender: Kabbage, Inc.
925B Peachtree Street NE
Suite 1688
Atlanta, GA 30309

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

THE BORROWER'S EXISTENCE. The complete and correct name of the borrower is deely nuts ("Borrower"). The Borrower is a duly formed entity which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of its organization. The Borrower is duly authorized to transact business in all other states in which the Borrower is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Borrower is doing business. Specifically, the Borrower is, and at all times shall be, duly qualified as a foreign entity in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Borrower has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Borrower maintains an office at the address set forth above. Unless the Borrower has designated otherwise in writing, the principal office is the office at which the Borrower keeps its books and records. The Borrower will notify Lender prior to any change in the location of the Borrower's state of organization or any change in the Borrower's name. The Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Borrower and the Borrower's business activities.

RESOLUTIONS ADOPTED. At a meeting of the directors or members of the Borrower, or if the Borrower is a close corporation having no Board of Directors then at a meeting of the Borrower's shareholders, duly called and held on _____, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

OFFICER. The following named person is an officer of Borrower:

NAMES	TITLES	AUTHORIZED	DocuSigned by: ACTUAL SIGNATURES
<u>Kathleen deely</u>	<u>director</u>	y	x <u>Kathleen deely</u> F316E43A9F664D7...

ACTIONS AUTHORIZED. The authorized person listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Borrower. Specifically, but without limitation, the authorized person is authorized, empowered, and directed to do the following for and on behalf of the Borrower:

- Borrow Money.** To borrow, as a cosigner or otherwise, from time to time from Lender, on such terms as may be agreed upon between the Borrower and Lender, such sum or sums of money as in his or her judgment should be borrowed, without limitation.
- Execute Notes.** To execute and deliver to Lender the promissory note or notes, or other evidence of the Borrower's credit accommodations, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Borrower's indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.
- Negotiate Items.** To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Borrower or in which the Borrower may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Borrower's account with Lender, or to cause such other disposition of the proceeds derived therefrom as he or she may deem advisable.

ASSUMED BUSINESS NAMES. The Borrower has filed or recorded all documents or filings required by law relating to all assumed business names used by the Borrower. Excluding the name of the Borrower, the following is a complete list of all assumed business names under which the Borrower does business: deely nuts.

NOTICES TO LENDER. The Borrower will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Borrower's name; (B) change in the Borrower's assumed business name(s); (C) change in the management of the Borrower; (D) change in the authorized signer(s); (E) change in the Borrower's principal office address; (F) change in the Borrower's state of organization; (G) conversion of the Borrower to a new or different type of business entity; or (H) change in any other aspect of the Borrower that directly or indirectly relates to any agreements between the Borrower and Lender. No change in the Borrower's name or state of organization will take effect until after Lender has received notice.

**RESOLUTION TO BORROW
(Continued)**

CERTIFICATION CONCERNING OFFICERS AND RESOLUTIONS. The officer named above is duly elected, appointed, or employed by or for the Borrower, as the case may be, and occupies the position set opposite his or her respective name. This Resolution now stands of record on the books of the Borrower, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

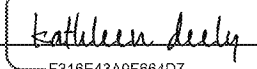
NO CORPORATE SEAL. The Borrower n has no corporate seal, and therefore, no seal is affixed to this Resolution.

CONTINUING VALIDITY. Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Borrower's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, I have hereunto set my hand and attest that the signature set opposite the name listed above is his or her genuine signature.

I have read all the provisions of this Resolution, and personally and on behalf of the Borrower certify that all statements and representations made in this Resolution are true and correct. This Resolution to Borrow is dated as of the date set forth above.

CERTIFIED TO AND ATTESTED BY:

DocuSigned by:
 as president, manager or managing member
F316E43A9F684D7...



**Paycheck Protection Program
Borrower Application Form Revised June 12, 2020**

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 or any 12-week period between May 1, 2019 and September 15, 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.

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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. **PLEASE DO NOT SEND FORMS TO THESE ADDRESSES.**

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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.



**Paycheck Protection Program
Borrower Application Form Revised June 12, 2020**

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) – 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.

Owners

Name	Title	Ownership %	TIN	Address
Joseph mancini	director	100	Company E	143 West New Jersey Ave beach Haven NJ 08008

Addendum A



U.S. Small Business Administration

NOTE

SBA Loan #	9847228102
SBA Loan Name	BEEFY KING
Date	8/13/2020
Loan Amount	\$ 20567.00
Interest Rate	1.0%
Borrower	BEEFY KING
Operating Company	BEEFY KING
Lender	Kabbage, Inc.

1. PROMISE TO PAY:

This Loan is being made by Lender to Borrower pursuant to the terms of the Paycheck Protection Program authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and pursuant to all regulations and guidance promulgated or provided by the SBA and other Federal agencies that are now, or may become, applicable to the Loan (the "Program"). In return for the Loan, Borrower promises to pay to the order of Lender the Loan Amount listed above, interest on the unpaid principal balance, and all other amounts required by this Note.

2. DEFINITIONS:

"Loan" means the loan evidenced by this Note.

"Loan Documents" means the documents related to this loan signed by Borrower.

"SBA" means the Small Business Administration, an Agency of the United States of America.

3. PAYMENT TERMS:

Borrower must make all payments in accordance with the Lender's payment instructions. Lender may modify these payment instructions by providing updated payment instructions to the Borrower in writing. The payment terms for this Note are:

- (1) The unpaid principal amount of this Note shall bear interest at a rate per annum equal to 1.00%, calculated on the basis of a 365 day year and the actual number of days elapsed and payable in cash according to the payment schedule

provided by the Lender.

- (2) No interest or principal payments will be required during the “Deferral Period,” defined as follows:
 - a. If Borrower applies for forgiveness within 10 months after the last day of the “Covered Period,” defined in section 1106(a) of the CARES Act, then the Deferral Period is the period after loan disbursement until the first loan cycle date, defined according to a schedule provided by Lender and following the date on which the amount of forgiveness determined under Section 1106 of the CARES Act is remitted to Lender.
 - b. If Borrower does not apply for forgiveness within 10 months after the last day of the Covered Period, then the Deferral Period is the Covered Period and the 10 months following the last day of the Covered Period.

Interest will continue to accrue during the Deferral Period.

- (3) After the Deferral Period and after taking into account any loan forgiveness applicable to the Loan pursuant to the Program, as approved by SBA, any remaining principal and accrued interest will be payable in accordance with an amortization schedule that provides for equal monthly installments over what remains of the 5 year term of the Loan, in the amount and according to the payment schedule provided by Lender at the end of the Deferral Period.
- (4) Lender will apply each installment payment first to accrued interest and then to principal.
- (5) Upon the maturity date as set forth in the payment schedule provided by the Lender, all unpaid or unforgiven principal, accrued interest and any other amounts outstanding pursuant to this Note will be due and payable.
- (6) The Borrower may prepay this Note in whole or in part at any time without penalty.
- (7) If a payment is made consistent with Lender’s payment instructions but received after 3:00 PM EST on a business day, Lender will credit the Borrower’s payment on the next business day.
- (8) Automatic Payment Authorization. Borrower authorizes Lender to initiate, on each business day, ACH debit and credit entries to the deposit account designated by Borrower for Loan disbursements (“Designated Account”) for all payments due under this Note, and to debit the Designated Account for such payments on the date each payment is due and to initiate, if necessary, additional entries for any entries credited or debited in error. Borrower acknowledges and agrees that, to the extent there are insufficient funds in the Designated Account to pay the required amounts when due, Borrower shall immediately pay to Lender all sums remaining unpaid. This authorization supplements, and does not limit, Lender’s rights under this Note. Borrower understands that this authorization will remain in full force and effect until the Borrower notifies Lender in writing of the Borrower’s wish to revoke this authorization, in which case Borrower is still responsible for making all further payments in a timely manner. The Borrower understands that Lender needs at least five (5) days prior notice to cancel this authorization. The Borrower signing below is authorized to make this request, and Lender is entitled to rely conclusively on this authorization until this authorization is terminated by Lender or the Borrower. Borrower agrees that ACH transactions must comply with the provisions of U.S. law and agrees to be bound by the National Automated Clearing House Association Operating Rules, as in effect from time to time and to the extent applicable, in connection with all such transactions.
- (9) If a debit is rejected or if Borrower otherwise fails to pay the amount due, Borrower agrees that Lender may
 - (A) terminate further automatic debits, in which case Borrower will be responsible for making all further payments directly and in a timely manner,
 - (B) debit the Designated Account at any time and from time to time, for any amounts due until paid in full,
 - (C) subject to any right to notice of default and right to cure required by state law (which you agree to waive to the greatest extent possible), declare the outstanding Loan immediately due and payable and
 - (D) pursue any and all other remedies available to Lender.

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:

- (1) Fails to do anything required by this Note and other Loan Documents;
- (2) Defaults on any other loan with Lender;
- (3) Does not disclose, or anyone acting on their behalf does not disclose, any material fact to Lender or SBA;
- (4) Makes, or anyone acting on their behalf makes, a materially false or misleading representation to Lender or SBA;
- (5) Defaults on any loan or agreement with another creditor, if Lender believes the default may materially affect Borrower's ability to pay this Note;
- (6) Fails to pay any taxes when due;
- (7) Becomes the subject of a proceeding under any bankruptcy or insolvency law;
- (8) Has a receiver or liquidator appointed for any part of their business or property;
- (9) Makes an assignment for the benefit of creditors;
- (10) Has any adverse change in financial condition or business operation that Lender believes may materially affect Borrower's ability to pay this Note;
- (11) Reorganizes, merges, consolidates, or otherwise changes ownership or business structure without Lender's prior written consent;
- (12) Becomes the subject of a civil or criminal action that Lender believes may materially affect Borrower's ability to pay this Note; or
- (13) For any reason it is determined that the Borrower is not eligible to obtain this Loan under the Program or otherwise violates any term or requirement of the Program.

5. LENDER'S RIGHTS IF THERE IS A DEFAULT:

Without notice or demand and without giving up any of its rights, Lender may:

- (1) Require immediate payment of all amounts owing under this Note;
- (2) Collect all amounts owing from any Borrower; or
- (3) File suit and obtain judgment.

6. LENDER'S GENERAL POWERS:

Without notice and without Borrower's consent, Lender may:

- (1) Incur expenses to collect amounts due under this Note and enforce the terms of this Note or any other Loan Document. Among other things, the expenses may include payments for 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;
- (2) Release anyone obligated to pay this Note; and
- (3) Take any action necessary to 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 includes its successors, and Lender includes its successors and assigns.

9. GENERAL PROVISIONS:

- (1) Borrower waives all suretyship defenses.
- (2) Borrower must sign all documents necessary at any time to comply with the Loan Documents and the Program.
- (3) 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.
- (4) Borrower may not use an oral statement of Lender or SBA to contradict or alter the written terms of this Note.
- (5) If any part of this Note is unenforceable, all other parts remain in effect.
- (6) 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 or collateral; did not obtain, perfect, or maintain a lien upon any collateral; or did not obtain the fair market value of any collateral at a sale.
- (7) Borrower agrees to modify this Note and any other Loan Document if requested by Lender in order to comply with the Program requirements and as necessary to ensure this Note is guaranteed by the SBA under the Program. Further, Borrower agrees that if the SBA or the U.S. Department of Treasury issues a form note or other related loan documentation or otherwise specifies documentation requirements with respect to loans made pursuant to the Program, Borrower will immediately execute such note and related loan documentation in such form as required to comply with all Program requirements as requested by Lender. Borrower hereby appoints Lender as its attorney-in-fact to sign such documentation on its behalf in the event Borrower is unavailable or unwilling to sign any such documentation for any reason, and such documentation will be enforceable as if signed directly by Borrower.
- (8) If Borrower is an entity, Borrower is currently existing, in good standing and duly organized under the laws of the state of its organization, and has the power to own its property and to carry on its business in each jurisdiction in which it operates.
- (9) Borrower has full power and authority to enter into this Note and the Loan Documents, to execute and deliver this Note and the Loan Documents, and to incur the obligations provided for in this Note, including the Loan, and the Loan Documents. No consent or approval of members or of any public authority is required as a condition to the validity of this Note or any Loan Documents. This Note has been duly executed and delivered by the Borrower.
- (10) Agreement to Conduct Electronic Transactions: The parties expressly agree that the transactions and interactions they have with one another in relation to this document may be conducted by electronic means. Without limiting the generality of the foregoing, the parties expressly agree that this Note, the Loan Documents and any other instruments, agreements, documents, and communications related to this Note, the Loan Documents or the matters addressed in this Note (each, inclusive of this document, a "Covered Document"), may be created, generated, sent, communicated, executed, signed, delivered, transmitted, received, retained, stored, authenticated, or otherwise processed, handled, or used by electronic means or in electronic form. In the event that any party hereto signs a Covered Document (including, without limitation, this Note) electronically, such party: (a) expressly states that such party has signed such Covered Document in electronic form using an electronic signature, and that such party intends for such party's electronic signature to be such party's signature to such Covered Document, and that by making such electronic signature, such party intends to sign such Covered Document; (b) agrees to the terms of such Covered Document in all respects, as if such party had signed a paper or other written or tangible version of such Covered Documents using a pen or other tangible writing instrument; and (c) agrees that any such

Covered Document will be valid for all legal purposes under all applicable law, including, without limitation and as applicable, under the Electronic Signatures in Global and National Commerce Act and the Uniform Electronic Transactions Act as enacted in the state whose governing law governs such Covered Document.

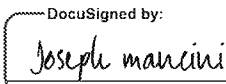
(11) Arbitration and Class Action Waiver. Any dispute, claim, or controversy relating in any way to this Note or your receipt or use of the Loan shall be, at the election of either party, resolved by binding arbitration under applicable Georgia law. Claims regarding the validity, enforceability or scope of this section or this Note including but not limited to whether a given claim or dispute is subject to arbitration will be determined by the arbitrator. The Federal Arbitration Act and federal arbitration law apply to this Note. The arbitration shall be administered by JAMS (www.jamsadr.com) and the arbitration shall be conducted in accordance with the Expedited Procedures of the JAMS. A single arbitrator shall be chosen in accordance with the procedures of JAMS. Any arbitration hearing will occur in Atlanta, Georgia. The arbitrator will apply the substantive law of the State of Georgia, exclusive of its conflict or choice of law rules. Either party may commence arbitration by providing to JAMS and the other party to the dispute a written demand for arbitration, setting forth the subject of the dispute and the relief requested. The arbitrator's award will be binding on the parties and may be entered as a judgment in any court of competent jurisdiction. The arbitrator may not consolidate more than one person's or entity's claims. **To the maximum extent permitted by law, the parties agree that any dispute, claim, or controversy in connection with this Note, whether in arbitration or in court, will be conducted only on an individual (non-class or non-representative) basis. Borrower waives any right to have any dispute, claim, or controversy in connection with this Note decided by a jury, and Borrower also waives any right to participate in a class action against Lender or its affiliates.**

10. STATE-SPECIFIC PROVISIONS:

Except as set forth in Section 7, this Note will be governed by the laws of the state of Georgia. State-specific disclosures pertaining to the Borrower are set forth in Addendum A.

IN WITNESS WHEREOF, Borrower has executed this Note as of the date first above written.

BORROWER: BEEFY KING

By: 
Name: Joseph Mancini
Title: director

Addendum A to SBA Note

N/A



U.S. Small Business Administration

NOTE

SBA Loan #	9998268100
SBA Loan Name	Tomato Cramber
Date	8/14/2020
Loan Amount	\$ 12739.00
Interest Rate	1.0%
Borrower	Tomato Cramber
Operating Company	Tomato Cramber
Lender	Kabbage, Inc.

1. PROMISE TO PAY:

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- (1) The unpaid principal amount of this Note shall bear interest at a rate per annum equal to 1.00%, calculated on the basis of a 365 day year and the actual number of days elapsed and payable in cash according to the payment schedule

provided by the Lender.

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Interest will continue to accrue during the Deferral Period.

- (3) After the Deferral Period and after taking into account any loan forgiveness applicable to the Loan pursuant to the Program, as approved by SBA, any remaining principal and accrued interest will be payable in accordance with an amortization schedule that provides for equal monthly installments over what remains of the 5 year term of the Loan, in the amount and according to the payment schedule provided by Lender at the end of the Deferral Period.
- (4) Lender will apply each installment payment first to accrued interest and then to principal.
- (5) Upon the maturity date as set forth in the payment schedule provided by the Lender, all unpaid or unforgiven principal, accrued interest and any other amounts outstanding pursuant to this Note will be due and payable.
- (6) The Borrower may prepay this Note in whole or in part at any time without penalty.
- (7) If a payment is made consistent with Lender’s payment instructions but received after 3:00 PM EST on a business day, Lender will credit the Borrower’s payment on the next business day.
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 - (C) subject to any right to notice of default and right to cure required by state law (which you agree to waive to the greatest extent possible), declare the outstanding Loan immediately due and payable and
 - (D) pursue any and all other remedies available to Lender.

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:

- (1) Fails to do anything required by this Note and other Loan Documents;
- (2) Defaults on any other loan with Lender;
- (3) Does not disclose, or anyone acting on their behalf does not disclose, any material fact to Lender or SBA;
- (4) Makes, or anyone acting on their behalf makes, a materially false or misleading representation to Lender or SBA;
- (5) Defaults on any loan or agreement with another creditor, if Lender believes the default may materially affect Borrower's ability to pay this Note;
- (6) Fails to pay any taxes when due;
- (7) Becomes the subject of a proceeding under any bankruptcy or insolvency law;
- (8) Has a receiver or liquidator appointed for any part of their business or property;
- (9) Makes an assignment for the benefit of creditors;
- (10) Has any adverse change in financial condition or business operation that Lender believes may materially affect Borrower's ability to pay this Note;
- (11) Reorganizes, merges, consolidates, or otherwise changes ownership or business structure without Lender's prior written consent;
- (12) Becomes the subject of a civil or criminal action that Lender believes may materially affect Borrower's ability to pay this Note; or
- (13) For any reason it is determined that the Borrower is not eligible to obtain this Loan under the Program or otherwise violates any term or requirement of the Program.

5. LENDER'S RIGHTS IF THERE IS A DEFAULT:

Without notice or demand and without giving up any of its rights, Lender may:

- (1) Require immediate payment of all amounts owing under this Note;
- (2) Collect all amounts owing from any Borrower; or
- (3) File suit and obtain judgment.

6. LENDER'S GENERAL POWERS:

Without notice and without Borrower's consent, Lender may:

- (1) Incur expenses to collect amounts due under this Note and enforce the terms of this Note or any other Loan Document. Among other things, the expenses may include payments for 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;
- (2) Release anyone obligated to pay this Note; and
- (3) Take any action necessary to 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 includes its successors, and Lender includes its successors and assigns.

9. GENERAL PROVISIONS:

- (1) Borrower waives all suretyship defenses.
- (2) Borrower must sign all documents necessary at any time to comply with the Loan Documents and the Program.
- (3) 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.
- (4) Borrower may not use an oral statement of Lender or SBA to contradict or alter the written terms of this Note.
- (5) If any part of this Note is unenforceable, all other parts remain in effect.
- (6) 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 or collateral; did not obtain, perfect, or maintain a lien upon any collateral; or did not obtain the fair market value of any collateral at a sale.
- (7) Borrower agrees to modify this Note and any other Loan Document if requested by Lender in order to comply with the Program requirements and as necessary to ensure this Note is guaranteed by the SBA under the Program. Further, Borrower agrees that if the SBA or the U.S. Department of Treasury issues a form note or other related loan documentation or otherwise specifies documentation requirements with respect to loans made pursuant to the Program, Borrower will immediately execute such note and related loan documentation in such form as required to comply with all Program requirements as requested by Lender. Borrower hereby appoints Lender as its attorney-in-fact to sign such documentation on its behalf in the event Borrower is unavailable or unwilling to sign any such documentation for any reason, and such documentation will be enforceable as if signed directly by Borrower.
- (8) If Borrower is an entity, Borrower is currently existing, in good standing and duly organized under the laws of the state of its organization, and has the power to own its property and to carry on its business in each jurisdiction in which it operates.
- (9) Borrower has full power and authority to enter into this Note and the Loan Documents, to execute and deliver this Note and the Loan Documents, and to incur the obligations provided for in this Note, including the Loan, and the Loan Documents. No consent or approval of members or of any public authority is required as a condition to the validity of this Note or any Loan Documents. This Note has been duly executed and delivered by the Borrower.
- (10) Agreement to Conduct Electronic Transactions: The parties expressly agree that the transactions and interactions they have with one another in relation to this document may be conducted by electronic means. Without limiting the generality of the foregoing, the parties expressly agree that this Note, the Loan Documents and any other instruments, agreements, documents, and communications related to this Note, the Loan Documents or the matters addressed in this Note (each, inclusive of this document, a "Covered Document"), may be created, generated, sent, communicated, executed, signed, delivered, transmitted, received, retained, stored, authenticated, or otherwise processed, handled, or used by electronic means or in electronic form. In the event that any party hereto signs a Covered Document (including, without limitation, this Note) electronically, such party: (a) expressly states that such party has signed such Covered Document in electronic form using an electronic signature, and that such party intends for such party's electronic signature to be such party's signature to such Covered Document, and that by making such electronic signature, such party intends to sign such Covered Document; (b) agrees to the terms of such Covered Document in all respects, as if such party had signed a paper or other written or tangible version of such Covered Documents using a pen or other tangible writing instrument; and (c) agrees that any such

Covered Document will be valid for all legal purposes under all applicable law, including, without limitation and as applicable, under the Electronic Signatures in Global and National Commerce Act and the Uniform Electronic Transactions Act as enacted in the state whose governing law governs such Covered Document.

(11) Arbitration and Class Action Waiver. Any dispute, claim, or controversy relating in any way to this Note or your receipt or use of the Loan shall be, at the election of either party, resolved by binding arbitration under applicable Georgia law. Claims regarding the validity, enforceability or scope of this section or this Note including but not limited to whether a given claim or dispute is subject to arbitration will be determined by the arbitrator. The Federal Arbitration Act and federal arbitration law apply to this Note. The arbitration shall be administered by JAMS (www.jamsadr.com) and the arbitration shall be conducted in accordance with the Expedited Procedures of the JAMS. A single arbitrator shall be chosen in accordance with the procedures of JAMS. Any arbitration hearing will occur in Atlanta, Georgia. The arbitrator will apply the substantive law of the State of Georgia, exclusive of its conflict or choice of law rules. Either party may commence arbitration by providing to JAMS and the other party to the dispute a written demand for arbitration, setting forth the subject of the dispute and the relief requested. The arbitrator's award will be binding on the parties and may be entered as a judgment in any court of competent jurisdiction. The arbitrator may not consolidate more than one person's or entity's claims. **To the maximum extent permitted by law, the parties agree that any dispute, claim, or controversy in connection with this Note, whether in arbitration or in court, will be conducted only on an individual (non-class or non-representative) basis. Borrower waives any right to have any dispute, claim, or controversy in connection with this Note decided by a jury, and Borrower also waives any right to participate in a class action against Lender or its affiliates.**

10. STATE-SPECIFIC PROVISIONS:

Except as set forth in Section 7, this Note will be governed by the laws of the state of Georgia. State-specific disclosures pertaining to the Borrower are set forth in Addendum A.

IN WITNESS WHEREOF, Borrower has executed this Note as of the date first above written.

BORROWER: Tomato Cramber

DocuSigned by:
By: Kevin Thomas
Name: Kevin Thomas
Title: owner

Addendum A to SBA Note

N/A

RESOLUTION TO BORROW

Principal \$ 12739.00	Loan Date 8/14/2020	Maturity Date	Loan No 9998268100	Call / Coll	Account	Officer Kevin Thomas	Initials KT
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DS

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: Tomato Cramer
908 Birch Drive
brielle NJ 08730

Lender: Kabbage, Inc.
925B Peachtree Street NE
Suite 1688
Atlanta, GA 30309

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

Tomato Cramer

THE BORROWER'S EXISTENCE. The complete and correct name of the borrower is _____ ("Borrower"). The Borrower is a duly formed entity which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of its organization. The Borrower is duly authorized to transact business in all other states in which the Borrower is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Borrower is doing business. Specifically, the Borrower is, and at all times shall be, duly qualified as a foreign entity in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Borrower has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Borrower maintains an office at the address set forth above. Unless the Borrower has designated otherwise in writing, the principal office is the office at which the Borrower keeps its books and records. The Borrower will notify Lender prior to any change in the location of the Borrower's state of organization or any change in the Borrower's name. The Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Borrower and the Borrower's business activities.

RESOLUTIONS ADOPTED. At a meeting of the directors or members of the Borrower, or if the Borrower is a close corporation having no Board of Directors then at a meeting of the Borrower's shareholders, duly called and held on _____, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

OFFICER. The following named person is an officer of Borrower:

NAMES	TITLES	AUTHORIZED
<u>Kevin thomas</u>	<u>owner</u>	<u>y</u>

DocuSigned by: ACTUAL SIGNATURES

x Kevin Thomas
DC6713A7AFF24EA...

ACTIONS AUTHORIZED. The authorized person listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Borrower. Specifically, but without limitation, the authorized person is authorized, empowered, and directed to do the following for and on behalf of the Borrower:

Borrow Money. To borrow, as a cosigner or otherwise, from time to time from Lender, on such terms as may be agreed upon between the Borrower and Lender, such sum or sums of money as in his or her judgment should be borrowed, without limitation.

Execute Notes. To execute and deliver to Lender the promissory note or notes, or other evidence of the Borrower's credit accommodations, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Borrower's indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

Negotiate Items. To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Borrower or in which the Borrower may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Borrower's account with Lender, or to cause such other disposition of the proceeds derived therefrom as he or she may deem advisable.

ASSUMED BUSINESS NAMES. The Borrower has filed or recorded all documents or filings required by law relating to all assumed business names used by the Borrower. Excluding the name of the Borrower, the following is a complete list of all assumed business names under which the Borrower does business: Tomato Cramer

NOTICES TO LENDER. The Borrower will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Borrower's name; (B) change in the Borrower's assumed business name(s); (C) change in the management of the Borrower; (D) change in the authorized signer(s); (E) change in the Borrower's principal office address; (F) change in the Borrower's state of organization; (G) conversion of the Borrower to a new or different type of business entity; or (H) change in any other aspect of the Borrower that directly or indirectly relates to any agreements between the Borrower and Lender. No change in the Borrower's name or state of organization will take effect until after Lender has received notice.

**RESOLUTION TO BORROW
(Continued)**

CERTIFICATION CONCERNING OFFICERS AND RESOLUTIONS. The officer named above is duly elected, appointed, or employed by or for the Borrower, as the case may be, and occupies the position set opposite his or her respective name. This Resolution now stands of record on the books of the Borrower, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

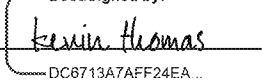
NO CORPORATE SEAL. The Borrower n has no corporate seal, and therefore, no seal is affixed to this Resolution.

CONTINUING VALIDITY. Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Borrower's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, I have hereunto set my hand and attest that the signature set opposite the name listed above is his or her genuine signature.

I have read all the provisions of this Resolution, and personally and on behalf of the Borrower certify that all statements and representations made in this Resolution are true and correct. This Resolution to Borrow is dated as of the date set forth above.

CERTIFIED TO AND ATTESTED BY:

DocuSigned by:
 as president, manager or managing member
DC8713A7AFF24EA...



**Paycheck Protection Program
Borrower Application Form Revised June 12, 2020**

OMB Control No.: 3245-0407
Expiration Date: 10/31/2020

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 type="checkbox"/> Independent contractor <input checked="" 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 <p align="center" style="font-size: 1.2em;">SHAILA BIG FRESH ORANGES</p>
Business Legal Name	
SHAILA BIG FRESH ORANGES	
Business Address	Business TIN (EIN, SSN)
606 Clay St	Company F
Mantorville MN 55955	(763) 207-9837
Primary Contact	Email Address
Shaïla wanous	gonzalezkenneth51@yahoo.com

Average Monthly Payroll:	\$ 7173	x 2.5 = EIDL, Net of Advance (if Applicable) Equals Loan Request:	\$ 17931.00	Number of Employees:	1
Purpose of the loan (select more than one): <input checked="" type="checkbox"/> Payroll <input 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
See attached form labeled owners				

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>SW</u>	<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, 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 nolo contendere; or 4) been placed on any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 6 → <u>SW</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 Revised June 12, 2020

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:

- SW** 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.
- SW** Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- SW** 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.
- SW** 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 24-week period following this loan.
- SW** 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 40% of the forgiven amount may be for non-payroll costs.
- SW** 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.
- SW** 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.
- SW** 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

DocuSign Envelope ID: [redacted]

Shaila Wanous
Signature of Authorized Representative of Applicant

shaila wanous
Print Name

8/20/2020
Date

owner
Title



**Paycheck Protection Program
Borrower Application Form Revised June 12, 2020**

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 or any 12-week period between May 1, 2019 and September 15, 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. **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 (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.



**Paycheck Protection Program
Borrower Application Form Revised June 12, 2020**

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) – 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.

Owners

Name	Title	Ownership %	TIN	Address
Shaila Wanous	owner	100	Company F	606 Clay St Mantorville MN 55955

Addendum A

RESOLUTION TO BORROW

Principal \$ 17931.00	Loan Date 8/20/2020	Maturity Date	Loan No 4527998206	Call / Coll	Account	Shaila Wanous	Officer	Initials SW
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References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "****" has been omitted due to text length limitations.

SHAILA BIG FRESH ORANGES

Borrower:

606 Clay St
Mantorville MN 55955

Lender:

Kabbage, Inc.
925B Peachtree Street NE
Suite 1688
Atlanta, GA 30309

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

SHAILA BIG FRESH ORANGES

THE BORROWER'S EXISTENCE. The complete and correct name of the borrower is _____ ("Borrower"). The Borrower is a duly formed entity which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of its organization. The Borrower is duly authorized to transact business in all other states in which the Borrower is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Borrower is doing business. Specifically, the Borrower is, and at all times shall be, duly qualified as a foreign entity in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Borrower has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Borrower maintains an office at the address set forth above. Unless the Borrower has designated otherwise in writing, the principal office is the office at which the Borrower keeps its books and records. The Borrower will notify Lender prior to any change in the location of the Borrower's state of organization or any change in the Borrower's name. The Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Borrower and the Borrower's business activities.

RESOLUTIONS ADOPTED. At a meeting of the directors or members of the Borrower, or if the Borrower is a close corporation having no Board of Directors then at a meeting of the Borrower's shareholders, duly called and held on _____, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

OFFICER. The following named person is an officer of Borrower:

NAMES
Shaila Wanous

TITLES
owner

AUTHORIZED

y

x

DocuSigned by: ACTUAL SIGNATURES

Shaila Wanous

825EDC448C4C4CA...

ACTIONS AUTHORIZED. The authorized person listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Borrower. Specifically, but without limitation, the authorized person is authorized, empowered, and directed to do the following for and on behalf of the Borrower:

Borrow Money. To borrow, as a cosigner or otherwise, from time to time from Lender, on such terms as may be agreed upon between the Borrower and Lender, such sum or sums of money as in his or her judgment should be borrowed, without limitation.

Execute Notes. To execute and deliver to Lender the promissory note or notes, or other evidence of the Borrower's credit accommodations, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Borrower's indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

Negotiate Items. To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Borrower or in which the Borrower may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Borrower's account with Lender, or to cause such other disposition of the proceeds derived therefrom as he or she may deem advisable.

ASSUMED BUSINESS NAMES. The Borrower has filed or recorded all documents or filings required by law relating to all assumed business names used by the Borrower. Excluding the name of the Borrower, the following is a complete list of all assumed business names under which the Borrower does business: SHAILA BIG FRESH ORANGES

NOTICES TO LENDER. The Borrower will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Borrower's name; (B) change in the Borrower's assumed business name(s); (C) change in the management of the Borrower; (D) change in the authorized signer(s); (E) change in the Borrower's principal office address; (F) change in the Borrower's state of organization; (G) conversion of the Borrower to a new or different type of business entity; or (H) change in any other aspect of the Borrower that directly or indirectly relates to any agreements between the Borrower and Lender. No change in the Borrower's name or state of organization will take effect until after Lender has received notice.

**RESOLUTION TO BORROW
(Continued)**

CERTIFICATION CONCERNING OFFICERS AND RESOLUTIONS. The officer named above is duly elected, appointed, or employed by or for the Borrower, as the case may be, and occupies the position set opposite his or her respective name. This Resolution now stands of record on the books of the Borrower, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

NO CORPORATE SEAL. The Borrower n has no corporate seal, and therefore, no seal is affixed to this Resolution.

CONTINUING VALIDITY. Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Borrower's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, I have hereunto set my hand and attest that the signature set opposite the name listed above is his or her genuine signature.

I have read all the provisions of this Resolution, and personally and on behalf of the Borrower certify that all statements and representations made in this Resolution are true and correct. This Resolution to Borrow is dated as of the date set forth above.

CERTIFIED TO AND ATTESTED BY:

DocuSigned by:
Shaila Warrus as president, manager or managing member
625EDC44BC4C4CA...

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
SHAILA WANOUS

Social security number (SSN)
Company F

A Principal business or profession, including product or service (see instructions)
ORANGE GROVES

B Enter code from instructions
▶ **99999999**

C Business name. If no separate business name, leave blank.
SHAILA BIG FRESH ORANGES

D Employer ID number (EIN) (see instr.)

E Business address (including suite or room no.) ▶ **606 CLAY ST**
City, town or post office, state, and ZIP code **MANTORVILLE, MN 55955**

F Accounting method: (1) Cash (2) Accrual (3) Other (specify) ▶

G Did you "materially participate" in the operation of this business during 2019? If "No," see instructions for limit on losses Yes No

H If you started or acquired this business during 2019, check here

I Did you make any payments in 2019 that would require you to file Form(s) 1099? (see instructions) Yes No

J If "Yes," did you or will you file required Forms 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	133,341.
2	Returns and allowances	2	
3	Subtract line 2 from line 1	3	133,341.
4	Cost of goods sold (from line 42)	4	21,410.
5	Gross profit. Subtract line 4 from line 3	5	111,931.
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	111,931.

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	3,811.	b	Other business property	20b	12,000.
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	4,220.	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	2,355.	25	Utilities	25	
18				26	Wages (less employment credits)	26	
19				27a	Other expenses (from line 48)	27a	3,474.
20				b	Reserved for future use	27b	
21				28	Total expenses before expenses for business use of home. Add lines 8 through 27a. ▶	28	25,860.
22				29	Tentative profit or (loss). Subtract line 28 from line 7.	29	86,071.
23				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	
24				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	86,071.
25				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 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 or 1040-SR) 2019

CDA



Sign in

James,

This is a confirmation that RITTER WHEAT CLUB has taken an **SBA loan of \$20,833** through the Paycheck Protection Program (PPP)*.

- **\$20,833** will be deposited into your **Company A** account by **July 16, 2020**.
- Up to 100% of the amount of your PPP loan may be forgiven if you use at least 60% of the loan to cover payroll costs, and the rest on business mortgage interest payments on real or personal property, rent payments, or certain utility payments during your applicable Covered Period after the loan is disbursed.¹
- Certain reductions in employee salaries or headcount may impact the extent to which you qualify for loan forgiveness.
- Any amount that is *not* forgiven will be treated as a five-year loan with a 1% fixed interest rate.²
- All payments (principal, interest and fees) are deferred until you receive a decision on loan forgiveness. However, interest will continue to accrue over this period.

Log in to review your loan details.

Log in

Loan forgiveness next steps

- The SBA is not yet processing applications and is continuing to finalize the forgiveness requirements. We'll let you know when we're able to begin accepting loan forgiveness applications through the Kabbage dashboard.
- It may be advisable to wait to apply for two reasons: 1) Guidelines have yet to be finalized, and 2) You'll have more time to accrue and track eligible expenses, which may help you maximize your business's loan forgiveness amount.
- You can learn more about how loan forgiveness works and prepare documents to verify how you used your loan. The SBA website also provides comprehensive materials on the loan forgiveness rules and loan forgiveness application process, including sample loan forgiveness application forms and instructions.

Regards,

Kabbage Customer Service Team

Have questions about the PPP?

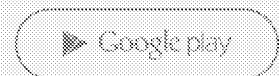
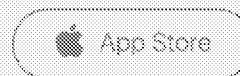
[Learn more here.](#)

¹ Requests for loan forgiveness must be made directly to your lender and are subject to lender approval.

² PPP loans approved by the SBA after 6/5/2020 will have a 5-year term.

*At this time, Kabbage is offering Paycheck Protection Program ("Program") loans directly as an approved U.S. Small Business Administration ("SBA") lender and indirectly on behalf of one or more approved lenders.

Borrowers are responsible for reviewing and understanding the SBA Paycheck Protection Program's rules. The Paycheck Protection Program rules are subject to change. Borrowers are encouraged to visit the [SBA website](#) to review program rules and guidance. This email is provided for informational purposes only and is not legal advice.



This email was sent to aruonamari.predom9@yahoo.com. Please do not reply to this message, as this email inbox is not monitored. To contact us, visit www.kabbage.com/support/contact.

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[Terms of Service](#) | [Privacy Policy](#)

Take a loan before the SBA guarantee on your funds expires

[Click to view in browser](#)



Sign in

Joseph,

As a reminder, BEEFY KING has been approved for an SBA loan of **\$20,567** through the Paycheck Protection Program (PPP)*.

You must take your loan by July 07, 2020, or the SBA may withdraw its guarantee of available funds.

To take a loan:

1. Sign into Kabbage.
2. Confirm that we have your government-issued ID and organizational documents on file. You'll see a request for these documents if we don't.
3. If you haven't already, securely connect the bank account where you would like your funds deposited.
4. Review and sign your loan documents. The main applicant whose Social Security number was provided during application will need to verify security information to complete the Docusign.

Sign in

If you have trouble signing your loan documents or experience other issues, you'll have until July 17, 2020 to take your loan.

Have questions about the PPP?

Our team is experiencing extremely high call volumes, so the fastest way to get answers is through our website and FAQs.

*At this time, Kabbage is offering Paycheck Protection Program ("Program") loans directly as an approved U.S. Small Business Administration ("SBA") lender and indirectly on behalf of one or more approved lenders. Loan agreements will identify the lender to small businesses at signing, and any loan made under the Program must also be submitted to and approved by the SBA. Program funds are limited. Kabbage does not guarantee that applications will be processed and submitted before Program funding is no longer available. There is no cost to you to apply for a Program loan. There is no limit to the number of lenders you can apply with, but you can only receive one PPP loan.



App Store

Google play

This email was sent to richardbranch228@yahoo.com. Please do not reply to this message, as this email inbox is not monitored. To contact us, visit www.kabbage.com/support/contact.

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[Terms of Service](#) | [Privacy Policy](#)

Ticket **KDV-R29/Fraud/Fake passport**

Priority: Low Status: Closed Ticket Number: 02891530

+ Follow Clone Delete Change Owner

Details Activity Chatter

Post Send Email Close Ticket New Task New Ticket Comment

Share an update... Share

Ticket Number	02891530	Contact Phone	
Ticket Owner	/lightning/r/0050P0000073 pNuQA/view	Contact Email	
Owner Role	Customer Service Rep	Web Email	
Claim Ticket	Acknowledge	SharePoint Name	
	/apex/ChangeCaseOwner_SC_SLA?id=5000e00001syMz		
Account Name		CC Admin	
Contact Name		Issue ID	
Subscribed to ticket notifications?	No	Bank Routing Number	
Bank Name		Bank Personal Login URL	
Base Bank URL		Fraud Pend Contact	
Bank Business Login URL		email	n/a
Bank Account Last 4		Covid-19 Duplication	<input type="checkbox"/>
Net Change	0.00	Risk Detail	
Lead	Joseph Schremp (/lightning/r/00Q0e00001eskvZEAQ/view)	Risk Status	N/A
Unhappy Reason			
TCPA	<input type="checkbox"/>		
Voicemail Date			
Estimated VM Time			
Forgiveness Request ID			
Needs Attention	<input type="checkbox"/>		
SBA Number			
SBA Msg Request Type			
SBA_Msg_CustomerNoticed	<input type="checkbox"/>		
SBA Msg Borrower Docs Received			
SBA Msg All Docs Complete	<input type="checkbox"/>		
SBA Msg Submitted to SBA	<input type="checkbox"/>		

Additional Information

CB Missing In Etran	<input type="checkbox"/>	CRB Missing In Etran	<input type="checkbox"/>
Subject	KDV-R29/Fraud/Fake passport	Customer Type	Applicant
Status	Closed	Country	US
Incident Request Type	Account Review	Product	Kabbage
Ticket Origin	Phone	Contact Purpose	Request
Priority	Low	Contact Category	Channels
Call Category		Detailed Reason	ACH
Happy Customer	<input type="checkbox"/>	Reason	Cannot verify bank account
		Description	
		Reason for	

(3+) (/lightning/r/Case/5000e00001syMzAAI/related/CaseC

JIRA Update (/lightni...

Public: Created Date: 7/29/2020 12:27 PM
Comment: marked as fraud per the fake passport

This comment was made by [redacted] on Wed Jul 29 16:25:20 UTC 2020 from JIRA.

Public: Created Date: 7/29/2020 12:05 PM
Comment: *** A few accounts are famers with the fake passports. All the emails don't match the customer's name as well.

Public: Created Date: 7/20/2020 6:20 PM
Comment: OB to:

402) 254-2246 (CT) (L) (100%) [Feedback] LVM. This is his VM
 (402) 640-0241 (CT) (M) (86%) [Feedback]. wrong number
 (402) 254-3994 (CT) (L) (24%) [Feedback]. busy signal
 (402) 640-2890 (CT) (M) (18%) [Feedback]. wrong number
 (402) 254-2256 (CT) (L) (3%) [Feedback]. disconnected

***IF THEY CALL BACK - please just get an OB to one of the numbers & verify they are aware of the application and which ACH they would like to make the default.

Talking Point after verified:
 The way that we verify bank accounts is by sending a series of microdeposits and then withdrawing them from the account. When we attempted to withdraw the deposits, your bank indicated that you may have a hold or debit block on the account. Any time that this happens, we like to call our customers for their security to ensure that they were aware of the account and these transactions. No further action is required at this time, but if the loan is approved and not forgiven, you will need to authorize Kabbage to debit & credit the account.

If the customer did not submit the application "send to account review and mark as fraud. If the customer submitted application you can then CLOSE this ticket.

Please go over the application and documents to make sure we have everything we need.

[View All](#)

</lightning/r/Case/5000e00001syMzAAI/related/CaseComments/view>

Create a New Ticket

Quick Ticket Info

* (required) Connected Product

Funding
 Payments
 Insights
 PPP

* (required) Subject

* Product

Kabbage

* Customer Type

Applicant

Next

Unhappy

Unhappy Detail

Jira Ticket ID PLO-193385

Joseph Schremp... Tickets (/li... x 0289153... x

Jira_Key PLO 193385

Complaint Made

Remove Request

Trans Dispute Resolution

Complaint Description

Payment Exception

Payment Exception Reason

User ID

Payoff Expires

Do not mail information

Do not mail - name

Do not mail business name

Do not mail - Street 1

Do not mail - Street 2

Do not mail city

Do not mail State

Do not mail zip

Do not mail source code

Metadata

Internal Comments

Ticket Detail

Description

System Information

Created By [Redacted] (/lightning/r/0050P000007480vQAA/view) 7/14/2020 10:55 AM

Last Modified By [Redacted] (/lightning/r/0050P0000073pNuQAI/view) 8/1/2020 12:33 PM

Ticket Record Type PPP

Auto Close

Last Status Change Time 7/29/2020 12:29 PM

Date/Time Opened 7/14/2020 10:55 AM

Date/Time Closed 7/29/2020 12:29 PM

(0) (/lightning/r/Case/5000e00001isyMzAAI/related/EntireIM)

Ticket History

Chat Transcripts

Activity History

Open Activities

Related Tickets

Ticket Comments

New

Created By	Last Modified By	Created Date	Last Modified
JIRA Update	JIRA Update	Jul 29, 2020, 12:27:15 PM	Jul 29, 2020, 12:27:15 PM
[Redacted]	[Redacted]	Jul 29, 2020, 12:05:53 PM	Jul 29, 2020, 12:05:53 PM
[Redacted]	[Redacted]	Jul 20, 2020, 06:20:24 PM	Jul 20, 2020, 06:20:24 PM
[Redacted]	[Redacted]	Jul 14, 2020, 10:55:23 AM	Jul 14, 2020, 10:55:23 AM

★ Joseph Schremp... Tickets (/li... 0289153...

HSMs

Attachments



**Paycheck Protection Program
Borrower Application Form Revised June 12, 2020**

OMB Control No.: 3245-0407
Expiration Date: 10/31/2020

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 type="checkbox"/> Independent contractor <input checked="" 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 STRAWBERRY JOSEPH SCHREMP	
Business Legal Name		
STRAWBERRY JOSEPH SCHREMP		
Business Address	Business TIN (EIN, SSN)	Business Phone
88307 562nd Ave	504940058	(775) 589-1524
hartington NE 68739	Primary Contact	Email Address
	Joseph schrempp	w11sonsarah799@yahoo.com

Average Monthly Payroll:	\$ 7932	x 2.5 + EIDL, Net of Advance (if Applicable) Equals Loan Request:	\$ 19829.00	Number of Employees: 1
Purpose of the loan (select more than one): <input checked="" type="checkbox"/> Payroll <input 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
See attached form labeled owners				

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>JS</u>	<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, 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 nolo contendere; or 4) been placed on any form of parole or probation (including probation before judgment)? Initial here to confirm your response to question 6 → <u>JS</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 Revised June 12, 2020**

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:

- JS 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.
- 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 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.
- JS 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 24-week period following this loan.
- JS 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 40% of the forgiven amount may be for non-payroll costs.
- JS 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.
- 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 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.
- 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

DocuSigned by:

Joseph schrempp
Signature of Authorized Representative of Applicant

Joseph schrempp
Print Name

7/15/2020
Date

mgr
Title



**Paycheck Protection Program
Borrower Application Form Revised June 12, 2020**

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 or any 12-week period between May 1, 2019 and September 15, 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. **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 (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.



**Paycheck Protection Program
Borrower Application Form Revised June 12, 2020**

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) – 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.

Owners

Name	Title	Ownership %	TIN	Address
Joseph schrempp	mgr	100	Company H	88307 562nd Ave hartington NE 68739

Addendum A

RESOLUTION TO BORROW

Principal \$ 19829.00	Loan Date 7/15/2020	Maturity Date	Loan No 5353398000	Call / Coll	Account	Joseph Schrempp	Initials JS
-----------------------------	------------------------	---------------	-----------------------	-------------	---------	-----------------	----------------

DS

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

STRAWBERRY JOSEPH SCHREMP

Borrower:

88307 562nd Ave
hartington NE 68739

Lender:

Kabbage, Inc.
925B Peachtree Street NE
Suite 1688
Atlanta, GA 30309

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

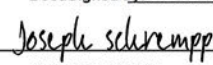
STRAWBERRY JOSEPH SCHREMP

THE BORROWER'S EXISTENCE. The complete and correct name of the borrower is _____ ("Borrower"). The Borrower is a duly formed entity which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of its organization. The Borrower is duly authorized to transact business in all other states in which the Borrower is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Borrower is doing business. Specifically, the Borrower is, and at all times shall be, duly qualified as a foreign entity in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Borrower has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Borrower maintains an office at the address set forth above. Unless the Borrower has designated otherwise in writing, the principal office is the office at which the Borrower keeps its books and records. The Borrower will notify Lender prior to any change in the location of the Borrower's state of organization or any change in the Borrower's name. The Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Borrower and the Borrower's business activities.

RESOLUTIONS ADOPTED. At a meeting of the directors or members of the Borrower, or if the Borrower is a close corporation having no Board of Directors then at a meeting of the Borrower's shareholders, duly called and held on _____, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

OFFICER. The following named person is an officer of Borrower:

NAMES	TITLES	AUTHORIZED
Joseph schrempp	mgr	y

DocuSigned by: ACTUAL SIGNATURES

0A6E7940F266487...

ACTIONS AUTHORIZED. The authorized person listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Borrower. Specifically, but without limitation, the authorized person is authorized, empowered, and directed to do the following for and on behalf of the Borrower:

Borrow Money. To borrow, as a cosigner or otherwise, from time to time from Lender, on such terms as may be agreed upon between the Borrower and Lender, such sum or sums of money as in his or her judgment should be borrowed, without limitation.

Execute Notes. To execute and deliver to Lender the promissory note or notes, or other evidence of the Borrower's credit accommodations, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Borrower's indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

Negotiate Items. To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Borrower or in which the Borrower may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Borrower's account with Lender, or to cause such other disposition of the proceeds derived therefrom as he or she may deem advisable.

ASSUMED BUSINESS NAMES. The Borrower has filed or recorded all documents or filings required by law relating to all assumed business names used by the Borrower. Excluding the name of the Borrower, the following is a complete list of all assumed business names under which the Borrower does business: STRAWBERRY JOSEPH SCHREMP

NOTICES TO LENDER. The Borrower will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Borrower's name; (B) change in the Borrower's assumed business name(s); (C) change in the management of the Borrower; (D) change in the authorized signer(s); (E) change in the Borrower's principal office address; (F) change in the Borrower's state of organization; (G) conversion of the Borrower to a new or different type of business entity; or (H) change in any other aspect of the Borrower that directly or indirectly relates to any agreements between the Borrower and Lender. No change in the Borrower's name or state of organization will take effect until after Lender has received notice.

**RESOLUTION TO BORROW
(Continued)**

CERTIFICATION CONCERNING OFFICERS AND RESOLUTIONS. The officer named above is duly elected, appointed, or employed by or for the Borrower, as the case may be, and occupies the position set opposite his or her respective name. This Resolution now stands of record on the books of the Borrower, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

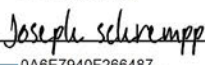
NO CORPORATE SEAL. The Borrower has no corporate seal, and therefore, no seal is affixed to this Resolution.

CONTINUING VALIDITY. Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Borrower's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, I have hereunto set my hand and attest that the signature set opposite the name listed above is his or her genuine signature.

I have read all the provisions of this Resolution, and personally and on behalf of the Borrower certify that all statements and representations made in this Resolution are true and correct. This Resolution to Borrow is dated as of the date set forth above.

CERTIFIED TO AND ATTESTED BY:

DocuSigned by:
 as president, manager or managing member
0A6E7940F266487...



U.S. Small Business Administration

NOTE

SBA Loan #	5353398000
SBA Loan Name	STRAWBERRY JOSEPH SCHREMPP
Date	7/15/2020
Loan Amount	\$ 19829.00
Interest Rate	1.0%
Borrower	STRAWBERRY JOSEPH SCHREMPP
Operating Company	STRAWBERRY JOSEPH SCHREMPP
Lender	Kabbage, Inc.

1. PROMISE TO PAY:

This Loan is being made by Lender to Borrower pursuant to the terms of the Paycheck Protection Program authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and pursuant to all regulations and guidance promulgated or provided by the SBA and other Federal agencies that are now, or may become, applicable to the Loan (the "Program"). In return for the Loan, Borrower promises to pay to the order of Lender the Loan Amount listed above, interest on the unpaid principal balance, and all other amounts required by this Note.

2. DEFINITIONS:

"Loan" means the loan evidenced by this Note.

"Loan Documents" means the documents related to this loan signed by Borrower.

"SBA" means the Small Business Administration, an Agency of the United States of America.

3. PAYMENT TERMS:

Borrower must make all payments in accordance with the Lender's payment instructions. Lender may modify these payment instructions by providing updated payment instructions to the Borrower in writing. The payment terms for this Note are:

- (1) The unpaid principal amount of this Note shall bear interest at a rate per annum equal to 1.00%, calculated on the basis of a 365 day year and the actual number of days elapsed and payable in cash according to the payment schedule

provided by the Lender.

- (2) No interest or principal payments will be required during the “Deferral Period,” defined as follows:
 - a. If Borrower applies for forgiveness within 10 months after the last day of the “Covered Period,” defined in section 1106(a) of the CARES Act, then the Deferral Period is the period after loan disbursement until the first loan cycle date, defined according to a schedule provided by Lender and following the date on which the amount of forgiveness determined under Section 1106 of the CARES Act is remitted to Lender.
 - b. If Borrower does not apply for forgiveness within 10 months after the last day of the Covered Period, then the Deferral Period is the Covered Period and the 10 months following the last day of the Covered Period.

Interest will continue to accrue during the Deferral Period.

- (3) After the Deferral Period and after taking into account any loan forgiveness applicable to the Loan pursuant to the Program, as approved by SBA, any remaining principal and accrued interest will be payable in accordance with an amortization schedule that provides for equal monthly installments over what remains of the 5 year term of the Loan, in the amount and according to the payment schedule provided by Lender at the end of the Deferral Period.
- (4) Lender will apply each installment payment first to accrued interest and then to principal.
- (5) Upon the maturity date as set forth in the payment schedule provided by the Lender, all unpaid or unforgiven principal, accrued interest and any other amounts outstanding pursuant to this Note will be due and payable.
- (6) The Borrower may prepay this Note in whole or in part at any time without penalty.
- (7) If a payment is made consistent with Lender’s payment instructions but received after 3:00 PM EST on a business day, Lender will credit the Borrower’s payment on the next business day.
- (8) Automatic Payment Authorization. Borrower authorizes Lender to initiate, on each business day, ACH debit and credit entries to the deposit account designated by Borrower for Loan disbursements (“Designated Account”) for all payments due under this Note, and to debit the Designated Account for such payments on the date each payment is due and to initiate, if necessary, additional entries for any entries credited or debited in error. Borrower acknowledges and agrees that, to the extent there are insufficient funds in the Designated Account to pay the required amounts when due, Borrower shall immediately pay to Lender all sums remaining unpaid. This authorization supplements, and does not limit, Lender’s rights under this Note. Borrower understands that this authorization will remain in full force and effect until the Borrower notifies Lender in writing of the Borrower’s wish to revoke this authorization, in which case Borrower is still responsible for making all further payments in a timely manner. The Borrower understands that Lender needs at least five (5) days prior notice to cancel this authorization. The Borrower signing below is authorized to make this request, and Lender is entitled to rely conclusively on this authorization until this authorization is terminated by Lender or the Borrower. Borrower agrees that ACH transactions must comply with the provisions of U.S. law and agrees to be bound by the National Automated Clearing House Association Operating Rules, as in effect from time to time and to the extent applicable, in connection with all such transactions.
- (9) If a debit is rejected or if Borrower otherwise fails to pay the amount due, Borrower agrees that Lender may
 - (A) terminate further automatic debits, in which case Borrower will be responsible for making all further payments directly and in a timely manner,
 - (B) debit the Designated Account at any time and from time to time, for any amounts due until paid in full,
 - (C) subject to any right to notice of default and right to cure required by state law (which you agree to waive to the greatest extent possible), declare the outstanding Loan immediately due and payable and
 - (D) pursue any and all other remedies available to Lender.

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:

- (1) Fails to do anything required by this Note and other Loan Documents;
- (2) Defaults on any other loan with Lender;
- (3) Does not disclose, or anyone acting on their behalf does not disclose, any material fact to Lender or SBA;
- (4) Makes, or anyone acting on their behalf makes, a materially false or misleading representation to Lender or SBA;
- (5) Defaults on any loan or agreement with another creditor, if Lender believes the default may materially affect Borrower's ability to pay this Note;
- (6) Fails to pay any taxes when due;
- (7) Becomes the subject of a proceeding under any bankruptcy or insolvency law;
- (8) Has a receiver or liquidator appointed for any part of their business or property;
- (9) Makes an assignment for the benefit of creditors;
- (10) Has any adverse change in financial condition or business operation that Lender believes may materially affect Borrower's ability to pay this Note;
- (11) Reorganizes, merges, consolidates, or otherwise changes ownership or business structure without Lender's prior written consent;
- (12) Becomes the subject of a civil or criminal action that Lender believes may materially affect Borrower's ability to pay this Note; or
- (13) For any reason it is determined that the Borrower is not eligible to obtain this Loan under the Program or otherwise violates any term or requirement of the Program.

5. LENDER'S RIGHTS IF THERE IS A DEFAULT:

Without notice or demand and without giving up any of its rights, Lender may:

- (1) Require immediate payment of all amounts owing under this Note;
- (2) Collect all amounts owing from any Borrower; or
- (3) File suit and obtain judgment.

6. LENDER'S GENERAL POWERS:

Without notice and without Borrower's consent, Lender may:

- (1) Incur expenses to collect amounts due under this Note and enforce the terms of this Note or any other Loan Document. Among other things, the expenses may include payments for 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;
- (2) Release anyone obligated to pay this Note; and
- (3) Take any action necessary to 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 includes its successors, and Lender includes its successors and assigns.

9. GENERAL PROVISIONS:

- (1) Borrower waives all suretyship defenses.
- (2) Borrower must sign all documents necessary at any time to comply with the Loan Documents and the Program.
- (3) 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.
- (4) Borrower may not use an oral statement of Lender or SBA to contradict or alter the written terms of this Note.
- (5) If any part of this Note is unenforceable, all other parts remain in effect.
- (6) 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 or collateral; did not obtain, perfect, or maintain a lien upon any collateral; or did not obtain the fair market value of any collateral at a sale.
- (7) Borrower agrees to modify this Note and any other Loan Document if requested by Lender in order to comply with the Program requirements and as necessary to ensure this Note is guaranteed by the SBA under the Program. Further, Borrower agrees that if the SBA or the U.S. Department of Treasury issues a form note or other related loan documentation or otherwise specifies documentation requirements with respect to loans made pursuant to the Program, Borrower will immediately execute such note and related loan documentation in such form as required to comply with all Program requirements as requested by Lender. Borrower hereby appoints Lender as its attorney-in-fact to sign such documentation on its behalf in the event Borrower is unavailable or unwilling to sign any such documentation for any reason, and such documentation will be enforceable as if signed directly by Borrower.
- (8) If Borrower is an entity, Borrower is currently existing, in good standing and duly organized under the laws of the state of its organization, and has the power to own its property and to carry on its business in each jurisdiction in which it operates.
- (9) Borrower has full power and authority to enter into this Note and the Loan Documents, to execute and deliver this Note and the Loan Documents, and to incur the obligations provided for in this Note, including the Loan, and the Loan Documents. No consent or approval of members or of any public authority is required as a condition to the validity of this Note or any Loan Documents. This Note has been duly executed and delivered by the Borrower.
- (10) Agreement to Conduct Electronic Transactions: The parties expressly agree that the transactions and interactions they have with one another in relation to this document may be conducted by electronic means. Without limiting the generality of the foregoing, the parties expressly agree that this Note, the Loan Documents and any other instruments, agreements, documents, and communications related to this Note, the Loan Documents or the matters addressed in this Note (each, inclusive of this document, a "Covered Document"), may be created, generated, sent, communicated, executed, signed, delivered, transmitted, received, retained, stored, authenticated, or otherwise processed, handled, or used by electronic means or in electronic form. In the event that any party hereto signs a Covered Document (including, without limitation, this Note) electronically, such party: (a) expressly states that such party has signed such Covered Document in electronic form using an electronic signature, and that such party intends for such party's electronic signature to be such party's signature to such Covered Document, and that by making such electronic signature, such party intends to sign such Covered Document; (b) agrees to the terms of such Covered Document in all respects, as if such party had signed a paper or other written or tangible version of such Covered Documents using a pen or other tangible writing instrument; and (c) agrees that any such

Covered Document will be valid for all legal purposes under all applicable law, including, without limitation and as applicable, under the Electronic Signatures in Global and National Commerce Act and the Uniform Electronic Transactions Act as enacted in the state whose governing law governs such Covered Document.

(11) Arbitration and Class Action Waiver. Any dispute, claim, or controversy relating in any way to this Note or your receipt or use of the Loan shall be, at the election of either party, resolved by binding arbitration under applicable Georgia law. Claims regarding the validity, enforceability or scope of this section or this Note including but not limited to whether a given claim or dispute is subject to arbitration will be determined by the arbitrator. The Federal Arbitration Act and federal arbitration law apply to this Note. The arbitration shall be administered by JAMS (www.jamsadr.com) and the arbitration shall be conducted in accordance with the Expedited Procedures of the JAMS. A single arbitrator shall be chosen in accordance with the procedures of JAMS. Any arbitration hearing will occur in Atlanta, Georgia. The arbitrator will apply the substantive law of the State of Georgia, exclusive of its conflict or choice of law rules. Either party may commence arbitration by providing to JAMS and the other party to the dispute a written demand for arbitration, setting forth the subject of the dispute and the relief requested. The arbitrator's award will be binding on the parties and may be entered as a judgment in any court of competent jurisdiction. The arbitrator may not consolidate more than one person's or entity's claims. **To the maximum extent permitted by law, the parties agree that any dispute, claim, or controversy in connection with this Note, whether in arbitration or in court, will be conducted only on an individual (non-class or non-representative) basis. Borrower waives any right to have any dispute, claim, or controversy in connection with this Note decided by a jury, and Borrower also waives any right to participate in a class action against Lender or its affiliates.**

10. STATE-SPECIFIC PROVISIONS:

Except as set forth in Section 7, this Note will be governed by the laws of the state of Georgia. State-specific disclosures pertaining to the Borrower are set forth in Addendum A.

IN WITNESS WHEREOF, Borrower has executed this Note as of the date first above written.

BORROWER: STRAWBERRY JOSEPH SCHREMPP

DocuSigned by:
By: Joseph schrempp
Name: JOSEPH SCHREMPP
Title: mgr

Addendum A to SBA Note

N/A

- My View
- Profile
- Account
- Channels
- SBA Loan
- SBA Loan 2
- Notes
- Emails
- Transactions
- User Files
- Manual Payments
- Calendar

Joseph schremp
 STRAWBERRY JOSEPH SC. []
 KulanID: 2088703 []

STON []
 Company H
 Treasury: US Eastern

CO Address: []

Current Balance: []
 Available Cash: []
 Past Due: []
 Days Delinquent: []

Next Due Date: []
 Current Due: []
 Total Due: []

Kabbage []

Access [] Flags []

- Next SBA Application
- Next 310b Review
- Next Fugiveness Review

- Suspicious
- New Escalated
- Escalate

My View [] REVIEW OFF []

Customer Information

<p>Business Information</p> <p>Business Name: STRAWBERRY JOSEPH SCHREMP</p> <p>Doing Business As: n/a</p> <p>Business Address: 88307 562nd Ave, Harrington, NE 68739</p> <p>Business: []</p> <p>Federal Tax ID/EIN: EIN</p> <p>Month/Year Est: 10/01/2017</p> <p>Company Structure: Sole Proprietorship</p> <p>NAICS Industry: n/a</p> <p>Raw Industry: n/a</p> <p>Annual Revenue: n/a</p> <p>Multiple Ultimate Beneficial Owners: n/a</p>	<p>Personal Information</p> <p>Joseph schremp</p> <p>Job Title: mgr</p> <p>88307 562nd Ave, Street Address 2, Harrington, NE 68739</p> <p>Home: []</p> <p>DOB: []</p> <p>SSN: []</p> <p>UBO Role(s): n/a</p> <p>UBO Ownership Percentage: 100</p>	<p>Authorized Parties</p> <p>No authorized parties attached</p> <p>Add Authorized Party []</p> <p>Update Consent: []</p> <p>ID Verification Status: Verified []</p> <p>Application Status: n/a</p> <p>Glact Matches: 0 Matched []</p> <p>NPS: n/a</p> <p>Channel Category: n/a</p> <p>Channel Name: n/a</p> <p>Final Ref ID: n/a</p> <p>Active Ref ID: n/a</p>
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LexisNexis

Date	Primary Applicant	Address	Business Verification Index	Comprehensive Verification Index	Business Risk Indicators	Personal Risk Indicators	Verification Status	UDOs
06/27/2020 8:17 AM	JOSEPH SCHREMP	88307 562ND AVE HARRINGTON NE 68739	40	40	17: Unable to verify business name, address TIN and phone on business records 34: The input business address may be a residential address (single family dwelling)	27: Unable to verify phone number 16: The input phone number and input zip code combination is invalid 02: The input name and address return a different phone number	Verified	0

Account Flags

Date / Time	Created By	Category	Reason	Account	Default	Expiration Date	Cleared
05/21/2021 3:57 PM	DBOP-3214	SBAInca	SBA Failed Manual Verification		NO	n/a	Clear Flag
05/05/2021 3:56 PM	[]	SBAIneligibility	Special Review		NO	n/a	Clear Flag
01/17/2021 7:00 AM	Kabbage.Funding.SendGridTask	AccountManagement	Invalid Email Address		NO	n/a	Clear Flag
07/29/2020 12:43 PM	Automated Fraud Job	BlockCashAccess FraudAnalysis SBAInca	Suspicious Activity NCA		NO	n/a	Error cannot be cleared
07/29/2020 12:27 PM	[]	VerifiedFraud SBAInca	Manual Investigation		NO	n/a	Error cannot be cleared

Take a loan before the SBA guarantee on your funds expires

[Click to view in browser](#)



[Sign in](#)

Joseph,

As a reminder, STRAWBERRY JOSEPH SCHREMPP has been approved for an SBA loan of **\$19,829** through the Paycheck Protection Program (PPP)*.

Your deadline to take a loan has been extended to July 10, 2020. If you don't complete the requirements for funds to be disbursed by this date, the SBA may withdraw its guarantee of available funds.

To take a loan:

1. [Sign into Kabbage.](#)
2. Confirm that we have your government-issued ID and organizational documents on file. You'll see a request for these documents if we don't.
3. If you haven't already, securely connect the bank account where you would like your funds deposited.
4. Review and sign your loan documents. The main applicant whose Social Security number was provided during application will need to verify security information to complete the Docusign.

Sign in

If you have trouble signing your loan documents or experience other issues, you'll have until July 17, 2020 to take your loan.

Have questions about the PPP?

Our team is experiencing extremely high call volumes, so the fastest way to get answers is through our [website](#) and [FAQs](#).

*At this time, Kabbage is offering Paycheck Protection Program ("Program") loans directly as an approved U.S. Small Business Administration ("SBA") lender and indirectly on behalf of one or more approved lenders. Loan agreements will identify the lender to small businesses at signing, and any loan made under the Program must also be submitted to and approved by the SBA. Program funds are limited. Kabbage does not guarantee that applications will be processed and submitted before Program funding is no longer available. There is no cost to you to apply for a Program loan. There is no limit to the number of lenders you can apply with, but you can only receive one PPP loan.



App Store

Google play

This email was sent to

Company H

Please do not reply to this message, as this email inbox is not monitored. To contact us, visit www.kabbage.com/support/contact.

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Sign in

Kevin,

This is a confirmation that Tomato Cramber has taken **an SBA loan of \$12,739** through the Paycheck Protection Program (PPP)*.

- **\$12,739** will be deposited into your **Company G** account by **August 21, 2020**.
- Up to 100% of the amount of your PPP loan may be forgiven if you use at least 60% of the loan to cover payroll costs, and the rest on business mortgage interest payments on real or personal property, rent payments, or certain utility payments during your applicable Covered Period after the loan is disbursed.¹
- Certain reductions in employee salaries or headcount may impact the extent to which you qualify for loan forgiveness.
- Any amount that is *not* forgiven will be treated as a five-year loan with a 1% fixed interest rate.²
- All payments (principal, interest and fees) are deferred until you receive a decision on loan forgiveness. However, interest will continue to accrue over this period.

Log in to review your loan details.

Log in

Loan forgiveness next steps

- The SBA is not yet processing applications and is continuing to finalize the forgiveness requirements. We'll let you know when we're able to begin accepting loan forgiveness applications through the Kabbage dashboard.
- It may be advisable to wait to apply for two reasons: 1) Guidelines have yet to be finalized, and 2) You'll have more time to accrue and track eligible expenses, which may help you maximize your business's loan forgiveness amount.
- You can learn more about how loan forgiveness works and prepare documents to verify how you used your loan. The SBA website also provides comprehensive materials on the loan forgiveness rules and loan forgiveness application process, including sample loan forgiveness application forms and instructions.

Regards,

Kabbage Customer Service Team

Have questions about the PPP?

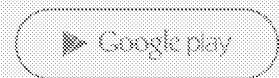
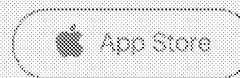
Learn more here.

¹ Requests for loan forgiveness must be made directly to your lender and are subject to lender approval.

² PPP loans approved by the SBA after 6/5/2020 will have a 5-year term.

*At this time, Kabbage is offering Paycheck Protection Program ("Program") loans directly as an approved U.S. Small Business Administration ("SBA") lender and indirectly on behalf of one or more approved lenders.

Borrowers are responsible for reviewing and understanding the SBA Paycheck Protection Program's rules. The Paycheck Protection Program rules are subject to change. Borrowers are encouraged to visit the [SBA website](#) to review program rules and guidance. This email is provided for informational purposes only and is not legal advice.



This email was sent to perilla_redponyi3@yahoo.com. Please do not reply to this message, as this email inbox is not monitored. To contact us, visit www.kabbage.com/support/contact.

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[Terms of Service](#) | [Privacy Policy](#)



Sign in

Shaila,

This is a confirmation that SHAILA BIG FRESH ORANGES has taken an **SBA loan of \$17,931** through the Paycheck Protection Program (PPP)*.

- **\$17,931** will be deposited into your **Chase** Company F account by **August 27, 2020**.
- Up to 100% of the amount of your PPP loan may be forgiven if you use at least 60% of the loan to cover payroll costs, and the rest on business mortgage interest payments on real or personal property, rent payments, or certain utility payments during your applicable Covered Period after the loan is disbursed.¹
- Certain reductions in employee salaries or headcount may impact the extent to which you qualify for loan forgiveness.
- Any amount that is *not* forgiven will be treated as a five-year loan with a 1% fixed interest rate.²
- All payments (principal, interest and fees) are deferred until you receive a decision on loan forgiveness. However, interest will continue to accrue over this period.

Log in to review your loan details.

Log in

Loan forgiveness next steps

- The SBA is not yet processing applications and is continuing to finalize the forgiveness requirements. We'll let you know when we're able to begin accepting loan forgiveness applications through the Kabbage dashboard.
- It may be advisable to wait to apply for two reasons: 1) Guidelines have yet to be finalized, and 2) You'll have more time to accrue and track eligible expenses, which may help you maximize your business's loan forgiveness amount.
- You can learn more about how loan forgiveness works and prepare documents to verify how you used your loan. The SBA website also provides comprehensive materials on the loan forgiveness rules and loan forgiveness application process, including sample loan forgiveness application forms and instructions.

Regards,

Kabbage Customer Service Team

Have questions about the PPP?

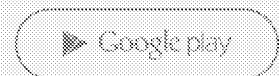
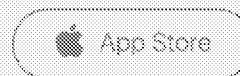
[Learn more here.](#)

¹ Requests for loan forgiveness must be made directly to your lender and are subject to lender approval.

² PPP loans approved by the SBA after 6/5/2020 will have a 5-year term.

*At this time, Kabbage is offering Paycheck Protection Program ("Program") loans directly as an approved U.S. Small Business Administration ("SBA") lender and indirectly on behalf of one or more approved lenders.

Borrowers are responsible for reviewing and understanding the SBA Paycheck Protection Program's rules. The Paycheck Protection Program rules are subject to change. Borrowers are encouraged to visit the [SBA website](#) to review program rules and guidance. This email is provided for informational purposes only and is not legal advice.



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