



Capitol National Factors

Commercial Factors & Financiers
13000 Grey Friars Place, Oak Hill, VA 20171

APPLICATION FOR AN ACCOUNTS RECEIVABLE FACTORING FACILITY

Please return by fax or email with a copy of your certificate of incorporation, Federal Tax ID number, last financial statement and your accounts receivable aging. Use additional sheets as necessary.

GENERAL INFORMATION REGARDING APPLICANT

Exact Legal Name of Applicant: _____ Website: www. _____
 All DBA's, fictitious and assumed names: _____
 Physical Address: _____
 _____ (City) _____ (State/Country) (Postal Code)
 Mailing Address (if different): _____
 _____ (City) _____ (State/Country)(Postal Code)
 Date Established: _____ Legal Structure: LLC Corp Partnership Prop/Individual
 Phone: _____ Fax: _____ Fed. Tax ID #: _____
 Business Description: _____ State/Jurisdiction of organization: _____ : _____
 Number of Employees: _____
 Industry/Business Type:
 Manufacturing Wholesale Retail Service Other (explain) _____
 Date Established: _____ Current Ownership/Control Since: _____
 Is Your business a Franchise? Yes No If yes, please provide a copy of the Franchise Agreement, Franchiser's FTC Disclosure Statement, and Franchiser's financial statement.

PRINCIPALS

	Owner #1	Owner #2
Exact Legal Name	_____	_____
Home Address	_____	_____
City/State/Zip	_____	_____
Own/Rent	_____	_____
Date of Birth	_____	_____
Social Security #	_____	_____
Title	_____	_____
% ownership	_____	_____
U.S. citizen (yes/no)	_____	_____
Email	_____	_____
Home phone	_____	_____
Cell phone	_____	_____
	Owner #3	Owner #4
Exact Legal Name	_____	_____
Home Address	_____	_____
City/State/Zip	_____	_____
Own/Rent	_____	_____
Date of Birth	_____	_____
Social Security #	_____	_____
Title	_____	_____
% ownership	_____	_____
U.S. citizen (yes/no)	_____	_____
Email	_____	_____
Home phone	_____	_____
Cell phone	_____	_____

SUPPORT INFORMATION

Accountant Name: _____	Phone: _____
Firm Name . _____	_____
Street Address _____	_____
City, State, Zip _____	_____
Attorney's Name: _____	Phone _____

Firm Name _____	_____
Street Address _____	_____
City, State, Zip _____	_____

BANKING INFORMATION FOR APPLICANT

Business Checking/Operating Account(s):

Bank Name	Address	City, State, Zip	Account #	Name of Bank Officer	Phone
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

How long with each Bank(s) listed above: _____

Business Loans to Applicant:

Name of Lender	Address	City, State, Zip	Loan Balance	Collateral	Phone
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

How long with each Lender listed above? _____

Bank information for Principal(s):

Name of Lender	Address	City, State, Zip	Phone	Checking A/C No.	Date Opened
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

How long with each Lender(s) listed above? _____

TAX INFORMATION

Federal Tax ID Number of Applicant: _____

State Tax ID Number of Applicant: _____

Local Tax ID Number of Applicant: _____

How Often are 941 Payroll Tax Returns filed: Weekly Monthly Quarterly Yearly

Are any of Applicant's federal, state or local taxes past due (detail) _____

Have tax liens been filed against Applicant (if yes, detail): _____

SUMMARY OF APPLICANT'S REQUEST

Total Amount Requested: \$ _____ New Renewal
 Date initial funding is required: _____
 Requested Term of Facility: _____ Years

Type: **Factoring Facility (Nonrecourse)** **Factoring Facility (Recourse)** **Loan** **P.O. Funding**

Amount: _____
 Business: _____
 Purpose: Working Capital Purchase Inventory Debt Repayment
 Refinance existing factor Refinance present lender Other (explain)

Applicant represents, by its signature below, that none of the funding proceeds will be employed for any personal use

ACCOUNTS RECEIVABLE INFORMATION

Total Amount of Your Accounts Receivable: \$ _____ As of (Date) _____
 Existing liens or security interests thereon (Yes/No): _____ If yes, Name of Lender/Factor: _____
 Nature and amount of any existing liens/security interests on your accounts: _____

	<u>Base Info.</u>	<u>Receivables Outstanding</u>	<u>Total Revenue</u>
Average Invoice Size:	_____	0 – 30 days: _____	Last 30 days: _____
Average Invoices/month:	_____	31 – 60 days _____	Past 12 months: _____
Selling Terms (2/10, net 30, etc.):	_____	61 - 90 days _____	12 month projection: _____
Average Days Outstanding:	_____	91 + days _____	

Date of Applicant's last Receivable Aging _____
 Accounts Receivable For Sale (if less than total AR): \$ _____
 Approximate number of your active customers, in total: _____
 List your 5 largest present customers/account debtors, using their exact legal name and headquarters address:

	<u>Exact Legal Name</u>	<u>Headquarters Address</u>	<u>HQ Phone (not toll free)</u>	<u>Present A/R due to you</u>
1	_____	_____	_____	_____
2	_____	_____	_____	_____
3	_____	_____	_____	_____
4	_____	_____	_____	_____
5	_____	_____	_____	_____

<input type="checkbox"/> Yes	<input type="checkbox"/> No	1. Do you prepare monthly receivable agings?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	2. Are all Applicant's books and records maintained at the address given on this Application?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	3. Are duplicate invoices and delivery evidence available?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	4. Are returns, allowances and credits posted daily?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	5. Do you have any consignment or guaranteed sales?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	6. Do you offer any unusual terms of sale? (explain)
<input type="checkbox"/> Yes	<input type="checkbox"/> No	7. Do you have any contra accounts?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	8. Are there any liens filed on your accounts receivable, inventory or other assets?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	9. Has Applicant, or any predecessor or affiliate, ever sold/factored receivables before?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	10. Does Applicant issue purchase orders? If so, are they written, verbal, or contracts?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	11. Are any invoices generated for work-in-process, partial shipments or milestone billing?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	12. Do any of your receivables arise from goods or services other than your legal name as shown on page 1? (Explain)
Related Information:		
<input type="checkbox"/> Yes	<input type="checkbox"/> No	13. Has the Applicant ever operated under any other name(s) or have there been any name changes in the Applicant's business and trading history? If yes, are receivables listed above payable to any such name (i.e., other than that of Applicant?) (Explain)
<input type="checkbox"/> Yes	<input type="checkbox"/> No	14. Are any receivables listed above due from a subsidiary, brother-sister company, owner or affiliate of Applicant?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	15. Do Applicant or its owners have borrowings or credit obligations to anyone, directly or as a guarantor?

INVENTORY INFORMATION

(Please answer the following questions, if applicable. Give explanations on additional sheets if necessary and attach to application.)

- Yes No 1. Is your inventory monitored on a perpetual system? (If no, explain on back). LIFO? ___ FIFO? ___
- Yes No 2. Is all inventory maintained at address give on this Application? (If no, explain)
- Yes No 3. Are there liens filed against inventory or proceeds of inventory? (If yes, explain)

What is the typical inventory turn (in days)? _____

Describe type of inventory (including raw materials, work in process and finished goods): _____

MISCELLANEOUS

- Yes No 1. Has the Applicant or any of its owners, partners, members, directors, executive officers, senior managers or predecessors been the subject of a bankruptcy or insolvency proceeding, or made a compromise, workout or forbearance with creditors, or been the subject of a foreclosure, receivership or similar action, within the past ten (10) years?
- Yes No 2. Has the Applicant been involved in lawsuits or threatened litigation within the past five (5) years? If yes, explain.
- Yes No 3. Have any of the persons listed in question 1 of this section ever been convicted of a crime? If yes, explain

How did you hear about Capitol National Factors? _____

DOCUMENTS REQUIRED FROM ALL APPLICANTS

1. Current Accounts Receivable Aging Summary
2. Last Financial Statement (Balance Sheet, Income Statement, and Statement of Cash Flow)
3. Copy of your Certificate of Incorporation/Formation
4. Documents establishing your federal tax ID number

The Signer(s) below certifies that he/she is authorized to execute this Application for the Applicant named herein and that the information in this Application and any other documents submitted in connection herewith are true, correct and complete. Applicant and the other signatories authorize Capitol National Factors Company, LLC to verify such information and to obtain such other business, personal and credit information as it may require in connection with this Application. Permission is hereby granted to release such information to Capitol National.

APPLICANT AND ITS PRINCIPALS/ OWNERS UNDERSTAND THAT THE SUBMISSION OF THIS APPLICATION DOES NOT MEAN THAT CAPITOL NATIONAL FACTORS COMPANY, LLC WILL GRANT THE FUNDING REQUESTED HEREIN OR PROVIDE ANY FINANCIAL ACCOMMODATIONS WHATSOEVER. APPLICANT AND SUCH PERSONS FURTHER UNDERSTAND THAT ACCOUNTS RECEIVABLES WILL BE PURCHASED AND FUNDED, IF THIS APPLICATION IS ACCEPTED, ONLY IN ACCORDANCE WITH A FULLY EXECUTED FACTORING AGREEMENT (OR, AS TO A LOAN OR PURCHASE ORDER FINANCING TRANSACTION, AN ACCOUNTS RECEIVABLE FINANCING AGREEMENT OR A PURCHASE ORDER FINANCING AGREEMENT, RESPECTIVELY) EXECUTED BY APPLICANT AND BY CAPITAL NATIONAL FACTORS COMPANY, LLC, STRICTLY ON THE TERMS AND CONDITIONS THEREOF.

Applicant, by its signature below, authorizes Capitol National Factors Company, LLC, to file a UCC-1 financing statement against Applicant's accounts receivable and the proceeds thereof to speed the funding process, which UCC-1 will be released by Capitol National Factors Company, LLC if no definitive written Factoring Agreement is hereafter executed within a reasonable time.

Applicant shall notify Capitol National Factors Company, LLC in writing, promptly, of any material changes in the information provided in this Application.

IN WITNESS WHEREOF, Applicant has executed this Application on the date set forth below.
Exact Legal Name of Applicant (as on page 1):

(name)

By: _____
(name) (sign manually above line, and type signatory name below)

Its: authorized _____
(title of signatory)

Date: _____

Signature of Owner 1 _____
 Signature of Owner 2 _____
 Signature of Owner 3 _____
 Signature of Owner 4 _____

Date: _____
 Date: _____
 Date: _____
 Date: _____

USA PATRIOT ACT: IMPORTANT INFORMATION ABOUT PROCEDURES FOR BECOMING A FACTORING CLIENT OF CAPITOL NATIONAL FACTORS COMPANY, LLC OR PROVIDING COLLATERAL OR OTHER CREDIT SUPPORT TO US

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions, including commercial factors, to obtain, verify and record information that identifies each person or entity that becomes a client of the financial institution or who provides collateral or other credit support to the financial institution.

What this means for you: We will ask for information about you, including but not limited to that set forth in this Application, to evidence your legal formation and existence. We will also ask for information about your owners, principals, directors and business executives. If you are an individual, we will ask for your name, address, date of birth and other information about you that will allow us to identify you. We may ask for your drivers' licenses, passports and other identifying documents. We will ask for similar information with respect to any guarantors of your duties and obligations to us.

NOTICE OF JOINT CREDIT (GUARANTOR):

I INTEND TO APPLY FOR JOINT CREDIT *(initials, if yes)* Owner 1 _____ Owner 3 _____ *(initials, if yes)*
(initials, if yes) Owner 2 _____ Owner 4 _____ *(initials, if yes)*

ECOA NOTICE: The Federal Equal Credit Opportunity Act prohibits financial institutions, including commercial factors, who extend business credit accommodations incident to a factoring agreement, from discriminating among applicants on the basis of race, color, religion, national origin, sex, marital status, 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. Guarantors are treated as applicants for this purpose. The federal agency that administers compliance with this law concerning Capitol National Factors Company, LLC ("CNFC") is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

If your credit application is denied, you have the right to a written statement of the reasons for the denial. To obtain the statement, please contact Capitol National Factors Company, 13000 Grey Friars Place, Oak Hill, VA 20171, within 60 days from the date you are notified of our decision. A written statement of reasons for the denial will be mailed to you within 30 days of CNFC receiving your request for the statement.