



*The Best Choice for Immediate  
Working Capital*

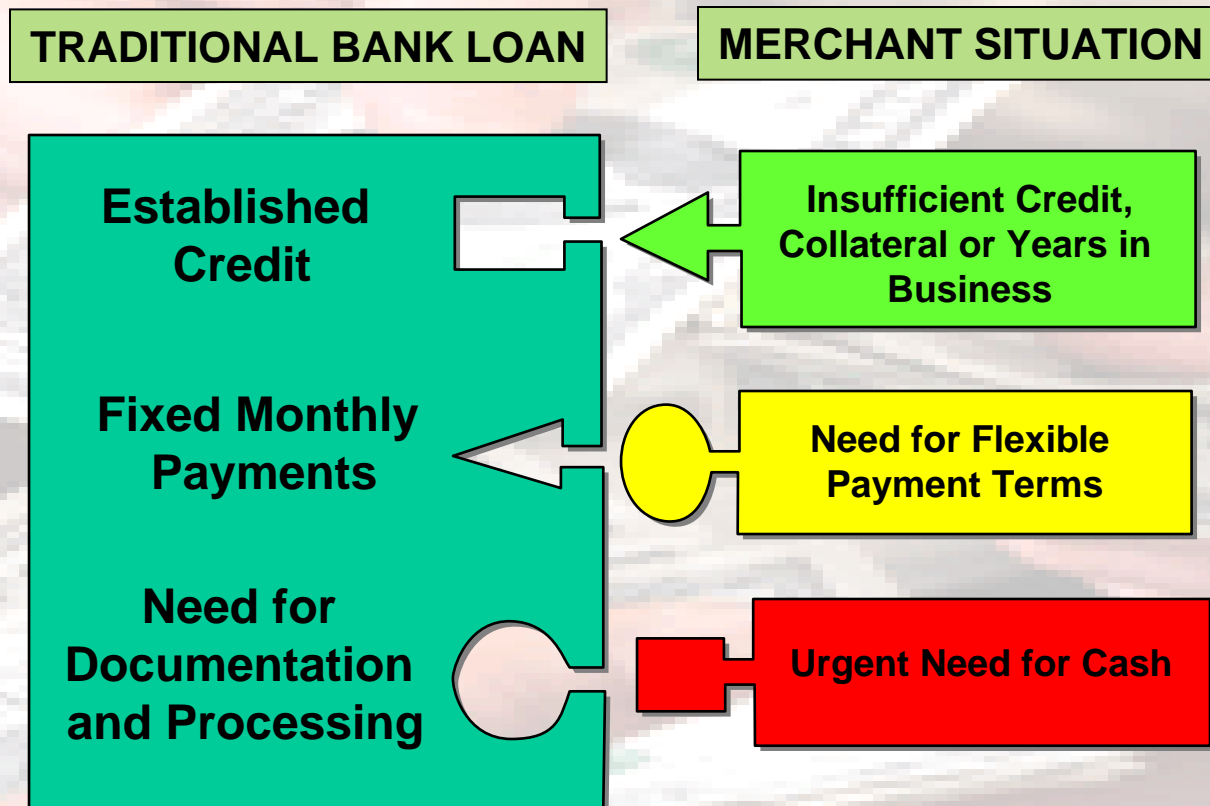


**VMS Capital Advance Training Presentation**

[www.valuedmerchants.com](http://www.valuedmerchants.com)

## MARKETPLACE OPPORTUNITY

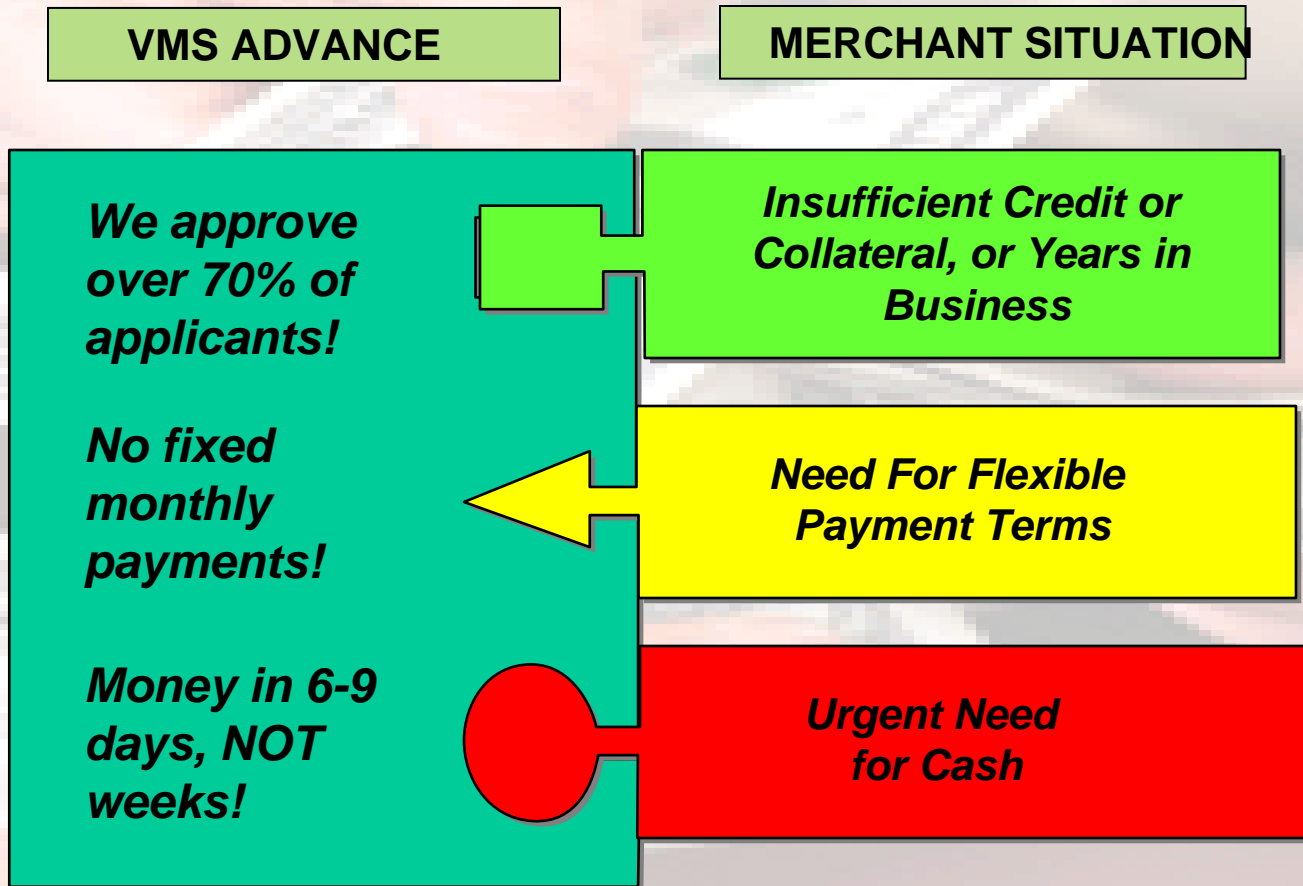
Over 6.5 million small card accepting businesses in the United States need some type of cash product at some point in their business cycle.



*Successful small businesses are becoming “un-bankable.”*

# MARKETPLACE OPPORTUNITY

VMS Capital Advance provides immediate cash to a merchant in exchange for a percentage of their future Visa/MasterCard sales.



## Target Markets

VMS Capital Advance serves a broad range of merchant segments.

### Key Industries

- Auto repair shops
- Restaurants
- Convenience stores
- Delicatessens
- Hair and nail salons & spas
- Liquor stores
- Most Brick and Mortar retailers

### Basic Eligibility Requirements

- In business > 3 months
- More than \$1000/month of processing volume minimum.
- Must batch out/deposit > 15 days per month
- Minimum of 9 months remaining on lease
- No open bankruptcy
- Not on MATCH list

*Merchants from over 160 MCCs have participated in our program.*

## Restricted and Prohibited Merchant Segments

VMS Capital Advance key restricted and prohibited segments.

### Restricted Merchants

- Merchants with extreme seasonality
- Service oriented businesses (e.g., advertising agencies)
- Internet
- Mail Order / Telephone Order

### Prohibited Merchants

- Adult entertainment
- Airlines
- Annual memberships
- Cruise ships
- Direct/Multi-level marketing
- EBay sales
- Firearms
- Gas stations (including those with convenience stores)
- Home based business
- Door-to-door
- Import/Export
- Insurance
- Internet prescriptions
- Kiosks
- Property management
- Timeshare sales
- Weight loss centers

## MERCHANT BENEFITS

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Your merchants receive immediate working capital for their business within 6-9 business days to support growth.

- **No** personal guarantees for repayment
- **No** security interest taken in home, business, equipment, or inventory
- **No** points or upfront fees (optional)
- **No** fixed monthly payments
- **No** coupons or checks to write
- **No** impact on their ability to qualify for other financing
- **No** business use restrictions on the funding
- **No** hassles - quick application & fast funding

***Over 70% of qualified merchants are approved -  
Money made simple!***

# BUSINESS MODEL

## Customer Profile/Lifecycle Management

**GROWTH**

### Profile

#### ➤ Growth Capital

- ✓ Inventory/Seasonality
  1. 80% Approval Rate
  2. Fast Cash
  3. No Personal Guarantee
  4. No Collateral/Liens

### Profile

#### ➤ Convenience Capital

- ✓ Expansion/Unexpected Expense
  1. Fast Cash
  2. No Business Restrictions
  3. No Hassles
  4. Up to **250%** of Monthly Processing Volume

**NEED**

**CONVENIENCE**

### Profile

#### ➤ Survival Capital

- ✓ Emergency Funds/Pay Off Debt
  1. 80% Approval Rate
  2. Mid 400 FICO Score Acceptable
  3. Fast Cash
  4. No Personal Guarantee
  5. No Collateral/Liens

**Not Applicable**

**SURVIVAL**

## PARTNER BENEFITS

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### Incremental Revenue

- **Commissionable Income** - You will earn significant commission for every advance you sell to a new or existing merchant.
- **New Merchants** – By offering VMS Capital Advance's product with your own, you will generate incremental merchant accounts and ultimately increase processing fees.

### Higher Customer Retention Rates

- **Less Switching** – Merchants cannot switch processors during the advance term.
- **High Renewal Rate** – 82% of advances typically renew, thus further reducing merchant attrition.
- **Guard Your Base** – By being an early adopter of this service, you will protect your residual base and not lose merchants to a competitor offering an advance product.



## PARTNER VALUE PROPOSITION

**VMS Capital Advance offers several benefits over the competition.**

<b>1. Higher Cash Advance Amount</b>	<ul style="list-style-type: none"><li>• Routinely offer higher merchant advances (150%-200% vs. competitors' 90%-120%).</li><li>• Equals greater merchant satisfaction and larger commissions.</li><li>• Reduces competitive activity for renewals.</li></ul>
<b>2. Flexible Funding Programs</b>	<ul style="list-style-type: none"><li>• Provides flexibility to merchant.</li><li>• Will consider merchants in business less than 1 year as long as they can provide 6 months of processing statements.</li></ul>
<b>3. Deeper Underwriting</b>	<ul style="list-style-type: none"><li>• FICO scores in the low to mid 400s are not uncommon.</li><li>• Produces higher acceptance rates and increased commissions.</li></ul>
<b>4. Higher Renewal Rate</b>	<ul style="list-style-type: none"><li>• We renew more – 82% renewal rate.</li><li>• Recurring revenue for ISO.</li></ul>
<b>5. Incentives for Renewals</b>	<ul style="list-style-type: none"><li>• We offer cash incentives for renewals in good standing.</li><li>• More renewals = more commissions.</li></ul>
<b>6. Broader Industry Base</b>	<ul style="list-style-type: none"><li>• We do not limit your coverage to just a few industries (i.e. restaurants) thus allowing you to capitalize on multiple segments.</li></ul>

# HOW IT WORKS

## Process Flow for Pricing Partners

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T  
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### ID Merchant

- ID existing and new merchants based on following criteria:
  - Convenience
  - High Growth
  - Credit Issues

### Sale and Closing

- Contact Merchant
- Quote Merchant
- Close Merchant
- Collect all contract paperwork

### Fax Documents to VMS

- 3 minute application
- 4 months processing statements
- MRA signed in all pages
- Calculator screen shot
- Voided check & merchant ID

V  
M  
S

### VMS Underwriting

- Automated U/W
- Landlord and merchant interviews
- Site inspection

### Processing & Funding

- Coordinates Split Funding
- Pre-funding call
- Wait for 2 batches
- Wire funds to merchant

### VMS Accounting

- Pays upfront commission weekly
- Pays ongoing residuals monthly

**2 – 3 Days**

**4 – 6 Days**

**Total 6 – 9 Days**

## OTHER KEY DISCUSSION ITEMS

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- Pre-screening deals (ensure basic criteria is met)
- Providing all required documentation (complete package)
- Longer term pricing assistance
- Competitive pricing
- Renewals and discounts
- Broker and finder fees
- Pre-Funding call to merchant
- Communication on declined deals
- Reconsideration policy on declines

A close-up photograph of a hand holding a stack of US dollar bills. The bills are slightly out of focus, and the hand is positioned in the upper left. The text "Questions and Answers" is overlaid in the center of the image in a bold, black, sans-serif font. The background is a soft, out-of-focus indoor setting. A vertical bar with a blue-to-green gradient is visible on the left edge of the image.

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# Questions and Answers

## QUESTIONS FOR SUCCESS

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### ➤ General

– *How's business?*

- Strong

- *Do you need cash to support growth, added cash flow, inventory, recruiting...?*

- Slow

- *Do you need cash to bridge during the slow/seasonal period?*

- *Do you have any immediate cash flow needs to support payroll, inventory, marketing, or expansion?*

- *How do you source your working capital needs today? What are your sources of funding?*

## QUESTIONS FOR SUCCESS

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### ➤ Convenience Profile

- *Obviously your business is doing well. How do you source your working capital needs today?*
- *I wanted to let you know of a new service that we offer that provides you with immediate working capital for your business to support expansion or emergencies. Even my customers with access to a bank line find this service is fast and has no personal guarantees associated with it.*
- *How large is your average monthly Visa/MasterCard statement? We could probably advance you up to \$\_\_\_\_\_ (calculate 250% of monthly V/MC statement).*
- *Do you have immediate cash needs as you look at 2008?*

## QUESTIONS FOR SUCCESS

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### ➤ Growth Profile

- *I see that your expanding, could you use some additional working capital?*
- *What are your cash sources for supporting your growth?*
- *If you had an extra \$\_\_\_\_\_ (calculate 150% of monthly V/MC statement) could your business use it to grow?*
- *Does your Bank approve most of your requests for money?*
  - Lots of businesses that are growing have difficulty getting money from their bank based on the fact that they are already highly leveraged. You now have access to alternative financing because your processing through Visa/MasterCard.
  - Over 80% of my customers get approved even if they are highly leveraged or have less than perfect credit. And best of all, they get approved and money is wired within 10 days.
- *Based on your needs, when do you think you would need additional cash? How much could you use? Let me see if I can help you out.*

## QUESTIONS FOR SUCCESS

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### ➤ **Survival Profile**

- *What are your cash sources for supporting your business?*
- *Does your Bank approve most of your requests for money? Lots of businesses that are in your situation have difficulty getting money from their bank based on the fact that they are already highly leveraged. If you had an extra \$\_\_\_\_\_ (calculate 125% of monthly V/MC statement) could your business use it to grow or pay off debt?*
- *You now have access to alternative financing because your processing through Visa/MasterCard. Over 80% of my customers get approved even if they are highly leveraged or have less than perfect credit. And best of all, they get approved and money is wired within 10 days.*
- *Based on your needs, when do you think you would need additional cash? How much could you use? Let me see if I can help you out.*



## MERCHANT QUESTIONS

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### ➤ ***What is the interest rate?***

- There is no interest rate on our product. It's an advance, not a loan. We charge a one-time flat fee. The way it works is we give you an advance based on your Visa/MasterCard business-and we charge a one time fee. The way you pay us back is we take a small percentage of your V/MC transactions, until your balance with us is settled. That's it. For example, if we gave you 10k and were taking 15% of your Visa/MasterCard transactions, every time a customer swipes their card for \$100, 15% (or \$15 in that case) would come to us until your account was settled. The good thing is that if you have a slow month of business, you're not penalized. Your balance that we quote up front never gets higher.

### ➤ ***How much is your fee?***

- We understand that all businesses are unique. That's why we require the last 4 consecutive months of your Visa/MasterCard statements to run a quote. Once received, I can give you a call within minutes with the amount we can get you and the exact cost to you. Then you'll be able to make a decision on your business' future.

## MERCHANT QUESTIONS

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### ➤ ***How are my payments determined?***

- The great thing about Capital Advance is that there are no fixed payments. We simply receive an agreed upon percentage of your Visa/MasterCard sales until the advance has been paid. For example, if our daily percentage is 15% and you make a \$100 V/MC sale, we get \$15.00 from that sale. This simple process is repeated until the balance is paid....usually within 6 to 8 months. Do you have your last 4 months of V/MC statements?

### ➤ ***How much can I qualify for?***

- We determine the amount we can offer you based upon the average of your last 4 V/MC statements. Once you send me those statements, I can call you with an specific offer and we can get your advance started. It's that easy!

## MERCHANT QUESTIONS

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### ➤ *I don't need any money now.*

- I understand. The chances that I call you on the exact day that you were looking to raise some extra capital are pretty slim. I was really calling to simply introduce myself and my company to you so that when you did have a need you would know who to call...Let me ask you this – if you had an extra \$25,000 to put into your business, how would you spend it/what would you do to improve the business?

OR

- I understand. The chances that I call you on the exact day that you were looking to raise some extra capital are pretty slim. I was really calling to simply introduce myself and my company to you so that when you did have a need you would know who to call. Why don't I send you a brochure describing our product. I'll call you next week to make sure you received it and answer any questions you have. Sound good?

## MERCHANT QUESTIONS

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### ➤ ***Do you guys look at my personal credit history?***

- For most small businesses, the owner's credit history helps in the evaluation process, however, your credit report is not affected and we have a business friendly scoring model that takes your business history into account, not just your credit score.

### ➤ ***Ok...how do I get started?***

- First thing is to fax me the last 4 consecutive months of your Visa/MasterCard statements. This requirement is to help us evaluate how much we can offer. Once I get the statements I will call you back with exactly how much I can get you and what the cost will be. Then we'll set you up. Remember, we get the cash to you in 6 to 9 business days, so the sooner you get me the statements the faster we get you the cash. Also remember that over 70% of our applicants are approved so this should be a smooth process.

## MERCHANT QUESTIONS

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➤ ***I have a existing cash advance with a competitor.***

- That's great. You already know the benefits of the service. Usually I can increase the amount you're qualified for so I can get you more money. How large was your current advance? What is your payback amount? When did you receive your money? Who is it with? If you like my proposal, we can get the cash to you quickly. Do you have your last 4 months of V/MC statements?...

➤ ***How do I keep track of what I've paid?***

- We send you a monthly statement detailing how much you've paid for the previous month or months, and the outstanding balance on the advance.

## THIS IS NOT A LOAN PRODUCT

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**VMS Capital Advance is not a loan product and should never be referred to as a “Loan”.**

- Words and/or phrases such as Loan, Interest Rate, Payment Term, Amortization Schedule, APR, Principal or Interest or any other terms commonly used to describe a financial institution, bank or lending company should be avoided.
- VMS Capital Advance is not a bank. Our service is not a loan. We are simply buying the future credit card receivables of the merchant at a discount (typically between 26% to 31%).