



BROKER SUBMISSIONS PACKAGE

Dear Independent Consultant,

Thank you for your interest in *Aegis Factors, Incorporated*. Enclosed, you will find a *Broker's Submissions Package* to assist you in developing and directing new business to our firm.

This *Submissions Package* is designed to make you familiar with our general business guidelines and to assist you in some detail on how to submit business to our portfolios. Additionally, we have included some helpful information on how to increase your volume of business and the accompanying commissions and trails.

Through our factoring unit, we currently administer two separate invoice portfolios to service a broad range of commercial factoring clients. We generate roughly 60% of our business through our network of independent brokers and referral sources like yourself, with the balance being produced through our own internal direct marketing campaigns, referrals, and networking opportunities.

Choosing your business partners in commercial finance is an important decision. One of the most significant characteristics regarding factors, is the length of time they retain clients relationships. This has an obvious and important effect on your overall future compensation. At *Aegis Factors*, we have a history of maintaining factor/client relationships in excess of three years on average with many factoring agreements in effect in excess of four and even five years. This strong commitment to client service, insures you a steady and growing commission income stream.

At *Aegis Factors*, we take a strong interest in the success of your consulting business and its ability to generate new clients. The reason for this is both simple and obvious. Because we depend heavily on independent agents to provide us with a majority of our new clients, we have an inherent and vested interest in your success. Our focus on creating strong business relationships with brokers like yourself, is evident in the unique productivity and marketing programs we make available for your benefit.

Questions regarding submission should be directed to underwriting through the *Aegis Factors* website at **www.aegisfactors.com**.

We look forward to assisting you in your business endeavors. If you have additional questions, please feel free to contact us at our offices or through our website at **www.aegisfactors.com**.

Robert McMahon

Robert McMahon
President/Aegis Factor, Inc.



THE NETWORK

Welcome to the “Network”

As you may already be aware, *Aegis Factors* is one of the most successful developers and trainers of independent consultants and brokers in the industry. In fact, we have established a unique business model separate from our funding unit for doing just that. By joining our *network* community of commercial finance consultants, you have taken an important first step in becoming a top producer for our company and the factoring industry.

As a member of the *Aegis Factors Network* you are aligning yourself with an industry leader in the development of successful and productive brokers and consultants. Benefits include peak industry commissions and compensation and access to our many support programs and products such as:

- ✓ tele-conference basic training seminars
- ✓ FactorMax Guerrilla Business Development software.
- ✓ professionally designed broker website, hosting & support.
- ✓ DMS marketing support products. (brochures, mailers, etc.)
- ✓ direct access to underwriters. (conference calls, etc.)
- ✓ membership to the IACFB.
- ✓ leads from our in-house marketing programs (*Level 3*)

The Industry Leader...
No one else even comes close.

Broker Productivity / Compensation “Levels”

At *Aegis Factors*, we generate client referrals and leads from an abundance of sources. Our broker network is an important part of our overall client sourcing. Independent brokers, however, come in many shapes and sizes and compensation programs should not be “one size fits all”. We therefore have developed a graduated rate scale which integrates broker productivity and development with stepped-up compensation.

- ① Level 1....an introductory level for those first entering the Factoring / Commercial Finance Industry. Commission level of 10% of fees earned for the life of the account.
- ② Level 2.... high profile / high productivity seasoned brokers which have met or exceeded annual sales goals.

Level 2...Standard commission rates of 12% of fees earned less charge-backs for the life of the accounts that you refer!



BUSINESS SUBMISSION

The Business Submission Process

Application Submission

The broker/consultant submits an application via facsimile to our underwriting department. The application should be of an approved format. We recommend using our *Company Profile* available in our broker support area.

Initial Client Contact

Our underwriters will do an initial search for existing senior outstanding loans, tax liens and judgments. The prospective client will then be contacted to discuss their business, types of account debtors, etc. by our underwriters.

Terms and Conditions

If our underwriting department feels the client would be an acceptable addition to our portfolios, we will issue a Terms and Conditions letter outlining the proposed arrangement.

Contracts Issued

Upon receiving the signed terms and conditions letter back via facsimile, contracts and all supporting documents will be created and couriered overnight to the client.

Underwriting Fees

The client will execute all documents and supply underwriting with all requested corporate documents and return via courier to underwriting with the requested underwriting fees. (\$150-\$500)

Search and Filing

A complete Uniform Commercial Code search will be performed and UCC-1 Security Agreement filed.

Setup in Accounting

The client's pertinent information will be set up in our factoring/accounting software and all account debtor information entered. Notification of assignment letters will be sent to all account debtors directing them to make remittance to our lockbox.

First Funding

Invoices submitted for factoring will be verified and the first funding will occur.



SOURCING CLIENTS

Identifying Prospective Clients

Factoring is one of the most powerful financial tools available to small and medium sized business owners. For individuals just getting started in the business of commercial finance brokerage, here are a few things to remember.

A “Business to Business” Business

Factoring involves the purchase of invoices which gives the selling business immediate capital. Rather than waiting 30, 45, 60 days or longer, the business owner that employs factoring gets immediate cash for weekly payroll, supplier payments, tax remittances, and other obligations that require timely payment. If a business sells “retail”, it obviously doesn’t qualify for factoring.

Factoring vs. Purchase Order Finance

One of the more common mistakes made by brokers when they first start out is to confuse these two different types of financing. Factoring involves the purchase of an invoice where the products or service have actually been delivered or rendered. Purchase order finance involves financing orders for a product or a service where the job has yet to be done or products are as yet not delivered.

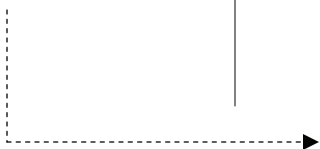
Non-bankable clients

Most factoring clients are non-bankable. This means they do not qualify for a typical commercial loan because they are a very young company (under 3 years) or they have no collateral to secure a loan. When marketing for new clients, you should initially focus your efforts on young companies, startups, and companies that provide services (janitorial, staff leasing, guard services, landscaping, etc.) Service companies generally have few assets to secure a loan and will have need for growth capital.

Startups and Young Business

One group of businesses that are always in need of growth capital and which are, as a rule, non-bankable are startups and very young businesses. Owners of such businesses tend to network a lot. Make sure you join organizations such as your local Chamber of Commerce to meet prospective clients.

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SOURCING CLIENTS

Helps & Hints

You must, however, follow all direct mail up with a telephone call to make it effective.

Database Management Software

Exceptional organization is the key to success as a broker. Get a good database manager to manage all of your direct marketing and networking efforts. We strongly recommend the **FactorMax Business Development System** from **Datamax Marketing Systems** as it was actually designed by factors for brokers in our industry. www.factormaxbds.com

Direct Marketing

One of the best ways to market for leads is through direct mail. You must, however, follow all direct mail up with a telephone call to make it effective. One of our most productive direct mail campaigns involve “Silo” mailers which are available from our website and which include cover letters and telephone scripts. You should launch at least one direct mail campaign each month of 500 pieces or more. Use your database management system to schedule and implement telephone follow up.

Networking

Make certain you join three or four organizations that can provide sources of referral for you. We recommend your local Chamber of Commerce be one of those. Also try to get involved with civic organizations that attract other members of the commercial finance community such as lending officers from banks or other finance companies. These can provide an abundant source of referral business.

Website

Make certain that you have a professional website where prospects can visit to obtain pertinent information about your services at their leisure. Your website should have form fields and always provide additional information or “reports” that prospects can request. For those without the ability to build a site, **DataMax Marketing Systems** provides our brokers with a very professionally designed site for about \$245 that includes everything you will need. Visit www.datamaxmarketingsystems.com



SOURCING CLIENTS

Helps & Hints

The Broker's Guide to Factoring is available from our office. Call (239) 274-7990

IACFB Membership

The IACFB (International Association of Commercial Finance Brokers) is the premier broker association for U.S.-based brokers and consultants. The organization provides continuing education and a Forum to assist you as you build your business. Membership is minimal at \$175 per year. This is the place to learn the business and benefit from the continuing education. There are presenters in all areas of alternative commercial finance including factoring, purchase order finance, export trade solutions, equipment leasing etc.

Broker's Guide to Factoring

We maintain a supply of these 135 page training manuals in the office. For those that are just entering the industry, this is an excellent primer on the basics of factoring and what to look for in a prospective client. We have been using this as a new broker training test for several years and constantly update this book as we see areas that can help new startups. You can call the office to order a copy for \$95 plus postage. Call (239) 274-7990.

Mailers, Brochures, and Marketing Materials

Most brokers want to design their own materials but until you get the time and money to do so, you can order all of the basic necessities from Datamax Marketing Systems including the popular SILO mailers used by FactorMax Guerrilla Users. To order supplies, go to the web store at www.datamaxmarketingsystems.com.

E-mail

As you build lists of prospects, one of the most effective marketing methods will be through e-mail marketing. We have found the company Constant Contact to be the best in the industry for e-mail support. The company has hundreds of quality e-mail templates and can manage your entire e-mail marketing efforts for just a few dollars a month. Visit www.constantcontact.com.



INDEPENDENT BROKER AGREEMENT (NON ASSIGNABLE)

THIS BROKER AGREEMENT entered into this _____ day of _____, 200__ is entered into by and between:

Aegis Factors, Inc. ("Factor").....with primary offices located at 11000 Metro Pkwy., Suite 22, Ft. Myers, FL. 33912 and:

_____ ("**Independent Broker**") with primary offices located at

RECITALS

- A. Factor is engaged in the business of providing factoring and other commercial financial services to various business entities both domestically and internationally.
- B. Independent Broker is incorporated (or will be incorporated with 30 days of the execution of this agreement) and is in the business of soliciting commercial entities (not previously solicited on behalf of Factor) for the purpose of becoming new commercial finance/factoring clients of Factor.
- C. The Parties hereto have determined this Agreement to be necessary in order to define the broker/factor relationship between them.

AGREEMENT

In consideration of the above recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the following:

1. Factor hereby authorizes Independent Broker to solicit business from commercial entities (not previously solicited or currently being solicited on behalf of Factor) for the purpose of becoming new clients of Factor.
2. Independent Broker hereby represents and warrants to Factor that he/she maintains an independent office with all expenses associated with such office incurred by, paid by, and as the sole responsibility of Independent Broker.
3. Factor may, in its sole discretion, make available to Independent Broker certain information pertaining to the various financial services offered by Factor that in the opinion of Factor, may be necessary for Independent Broker to properly solicit new business relationships on behalf of Factor.
4. Independent Broker agrees that the acceptability of any business entity solicited by him/her on behalf of Factor shall be at the sole discretion of Factor. Further, Independent Broker agrees that at all times when soliciting business for the benefit of Factor, he/she will conduct himself/herself in a professional manner, and obtain and maintain current all licenses/permits required to conduct his/her business.
5. Factor agrees to compensate Independent Broker for his/her services on a commission basis only. The commission to be paid to Independent Broker shall be an amount as set forth in Addendum 2009 with such commission(s) calculated monthly and payable on the Friday following the 22nd day of the calendar month following the calendar month in which the commissions were earned. In no event shall such commissions continue to be paid to Independent Broker, his/her estate or heirs upon the death of Independent Broker, if an individual, or upon the dissolution of his/her business (if a business entity), or upon this Agreement being terminated as a result of a breach by Independent Broker of any of the terms or conditions contained herein, whichever shall occur first.



6. Factor and Independent Broker agree that whenever Factor, in its sole discretion, deems any client solicited by Independent Broker pursuant to this Agreement to be in default, liquidation, or otherwise in unsatisfactory financial condition, Factor may apply all collections received or to be received pursuant to the factoring agreement entered into with any such client (as same may have been modified, amended or extended from time to time) to the repayment of principal. The payment of commission for such account shall be deferred until such time as Factor, in its sole discretion, no longer deems such application to principal necessary. Further, Independent Broker agrees that it shall not be entitled to any commissions with respect to any income which may be derived from delinquent interest or extensions and related charges, or from other services provided to client by Factor. All commissions due Independent Broker shall result only from invoices that have been purchased by Factor and have been paid by the obligor (account debtor) satisfactorily thereon.
7. The parties agree that Independent Broker does not have the right or authority to bind Factor in any way to any agreements of any kind or nature whatsoever. Further, Independent Broker does not have the right or authority to commit Factor to any indebtedness or any obligation of any kind, nature or description. Additionally, Independent Broker shall not use Factor's name, trademarks, or logos in any marketing materials or advertisements without the prior written permission of Factor.
8. This Agreement, except as provided for herein, can only be modified by a written instrument signed by the parties hereto.
9. This Agreement is to continue in full force and effect until written notice of termination is served by any one the parties hereto on the other but such termination shall not effect any of the provisions of paragraph 5 or Addendum One (attached) herein with reference to commissions due to Independent Broker.
10. The parties hereto agree that Independent Broker is an independent contractor whose time, methods and means of generating business (which shall be lawful, ethical and appropriate) are not subject to the direction or control of Factor. Further, Independent Broker agrees that it will not represent itself as an employee, partner or co-venturer with Factor.
11. Independent Broker hereby represents and warrants to Factor that he/she accepts exclusive liability for any payroll taxes, income tax withholding, or contributions imposed by the Federal Social Security Act or any state law with respect to Independent Broker's commissions paid pursuant to this Agreement.
13. This Agreement may not be assigned by and no provisions contained herein inure to the benefits of Independent Broker's respective heirs, survivors and/or assigns.
14. All notices or other documents under this Agreement shall be in writing and delivered personally or mailed certified mail, postage prepaid to the parties at the business addresses set forth above. Each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.
15. This Agreement shall be deemed to be a contract embodying the full terms of the agreement between the parties under and subject to, and shall be construed for all purposes and in accordance with the laws of the State of Florida. For any litigation relating to or arising from this Agreement, the parties hereto submit to the exclusive jurisdiction of the federal and state courts sitting in Lee County, Florida, waiving any claim that the same is an inconvenient forum. The prevailing party in any such litigation shall be entitled to recover its expenses (including court costs and the reasonable fees and expenses of its legal counsel), both at the trial and appellate levels relating to such litigation. **IN CONNECTION WITH ANY SUCH LITIGATION THE PARTIES HEREBY KNOWINGLY AND IRREVOCABLY WAIVE TRIAL BY JURY.**



Addendum 1 (Compensation and Commissions)

Factor agrees to compensate and commission Independent Broker in one of the following manners.

- A. Level One Compensation Grid.
 10% of the factoring fees earned (less charge-backs) for a period of 12 months from first funding of each referred account. 5% thereafter for a total period of two years from the first funding of the account. Level One Grid shall apply to this Agreement if Independent Broker fails to provide factor with periodic accepted accounts of less than one new account each quarter (three month period) as calculated from the date of acceptance of the first new account submitted by Independent Broker

- B. Level Two Compensation Grid.
 10% of the factoring fees earned (less charge-backs) for the life of the account. Level Two Grid shall apply to this Agreement if Independent Broker:
 - (1) Maintains its corporate / professional status and...
 - (2) Submits at least one new and accepted account to Factor at least on a quarterly basis (every three month period) as calculated from the date of acceptance of the first new account submitted by Independent Broker or...

- C. IACFB Members.
 12% of the factoring fees earned if 30 day discount rate is in excess of 3.5%
 10% of the factoring fees earned if 30 day discount rate is 2.5% to 3.4%
 8% of the factoring fees earned if 30 day discount rate is less than 2.5%
 Paid for the life of the account less charge-backs.

This Agreement executed the day as set forth above by the Parties:

Aegis Factors, Incorporated

Independent Broker

By: _____

By: _____

President / Aegis Factors, Incorporated

Print _____