

# Smart Choice Financial Corp

9601 Ashton Rd, Suite # N-10, Philadelphia, PA 19114

Office: 866-SMART-55 Fax: 215-895-9516

[www.smartchoicefinancial.net](http://www.smartchoicefinancial.net)

## SECTION I :

**What credit information will we require to approve your financing request?**

### First Time Franchisee

- Complete and sign the application for financing
- Personal financial statement on all principals, signed and dated  
(No more than 90 days old)
- 2 Years Personal Tax Returns on all principals, signed and dated, with All Schedules
- Proof of liquidity : Copies of bank and investment statements
- A business plan and pro forma are required for all startups & acquisitions
- “Sources and Uses” worksheet
- Franchise Questionnaire

### For Acquisitions and existing franchisees requesting financing for additional locations

- All of the above
- 3 Years business Income Tax Returns and accountant prepared financial statements, if applicable. Tax returns and statements should be provided for all locations owned and/or to be acquired. *If the financial statements are “Reviewed” or “Audited” statements, tax returns may not normally be required.*
- Most recent interim statement
- Purchase/Sale agreement (if acquisition)
- Details on existing business debt: Identify lender, balance, payment, purpose, and whether or not debt is to be refinanced.

**We will verify all information, including correct legal name and business structure.**

**If your firm is an LC or an LLC, we will require a copy of your LLC Agreement.**

**If your firm is a corporation, we will verify with the Secretary of State – if you have been incorporated in a State other than where your business is located, please advise.**

**If you are a sole proprietor, we may request a business license.**

*From time to time, InSource Capital Services may require additional information as needed to amplify or clarify items listed above.*

*Every attempt will be made to request additional information expediently and comprehensively.*

**Please Call Our Office with any Questions  
(866)-SMART-55**

APPLICATION FOR FRANCHISE FINANCING

Check One: [ ] Start-Up (new store) [ ] Acquisition of Existing Store [ ] Re-Finance [ ] Re-Model [ ] Equipment Only

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Company Name: \_\_\_\_\_ (exact legal name)

DBA/Franchise Name: \_\_\_\_\_ Store #: \_\_\_\_\_

Business Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Years in Business: \_\_\_\_\_ Years under current Ownership: \_\_\_\_\_

Type of Organization: [ ] Sole Proprietor [ ] Corporation [ ] Partnership [ ] Limited Liability Corp/Partnership

Bank Name: \_\_\_\_\_ Account #: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Telephone #: \_\_\_\_\_

Bank Name: \_\_\_\_\_ Account #: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Telephone #: \_\_\_\_\_

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\*\*\*\*Personal Information on Owners, Officers, Partners or Guarantors:

Owner/Officer Name: \_\_\_\_\_

Home Address: \_\_\_\_\_ City: \_\_\_\_\_ State \_\_\_\_\_ Zip: \_\_\_\_\_

% Owned: \_\_\_\_\_

Title: \_\_\_\_\_ Social Security #: \_\_\_\_\_

Owner/Officer Name: \_\_\_\_\_

Home Address: \_\_\_\_\_ City: \_\_\_\_\_ State \_\_\_\_\_ Zip: \_\_\_\_\_

% Owned: \_\_\_\_\_

Title: \_\_\_\_\_ Social Security #: \_\_\_\_\_

Owner/Officer Name: \_\_\_\_\_

Home Address: \_\_\_\_\_ City: \_\_\_\_\_ State \_\_\_\_\_ Zip: \_\_\_\_\_

% Owned: \_\_\_\_\_

Title: \_\_\_\_\_ Social Security #: \_\_\_\_\_

Owner/Officer Name: \_\_\_\_\_

Home Address: \_\_\_\_\_ City: \_\_\_\_\_ State \_\_\_\_\_ Zip: \_\_\_\_\_

% Owned: \_\_\_\_\_

Title: \_\_\_\_\_ Social Security #: \_\_\_\_\_

\*\*\*\*\*

Amount Requested: \_\_\_\_\_ Number of months you wish to finance: \_\_\_\_\_

Important Notice:

By completing and signing this application, you hereby authorize InSource Capital Services, its agents or assignees to investigate your credit. You authorize InSource Capital Services to obtain personal credit report(s) on all Principal(s), and authorize the release of bank and financial information necessary to complete this credit investigation. You also warrant that the information provided above is true and accurate. You have rights with respect to this credit application. If your application for credit is denied, you have a right to a written statement of the specific reasons for the denial. To obtain this statement, you must write to InSource Smart Choice Financial Corp,9601 Ashton Rd, Suite # N-10, Philadelphia,PA 19114. Your request must be received within 60 days from the date you are notified of our decision. We will respond within 30 days of receipt of your request with a written statement.

We Are An Equal Opportunity Creditor

The Federal Equal Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, creed, color, religion, national origin, marital status or age (provided the applicant has the capacity to enter into a binding contract); or because all or part of the applicants income derives from public assistance programs or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal Agency that administers compliance with this law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington DC 20580

X \_\_\_\_\_ Date: \_\_\_\_\_

Signature and Authorization to Release Information

X \_\_\_\_\_ Date: \_\_\_\_\_

Signature and Authorization to Release Information

X \_\_\_\_\_ Date: \_\_\_\_\_

Signature and Authorization to Release Information

X \_\_\_\_\_ Date: \_\_\_\_\_

Signature and Authorization to Release Information

**PERSONAL FINANCIAL STATEMENT**

Submitted to: \_\_\_\_\_ Date: \_\_\_\_\_

**IMPORTANT: READ THESE DIRECTIONS BEFORE COMPLETING THIS STATEMENT**

- If you are applying for individual credit in your own name and are relying on your own income, or assets and not the income, or assets of another person as the basis for repayment of the credit requested, or if this statement relates to your guaranty of the indebtedness of other person(s), firm(s), or corporation(s) complete only Sections 1, 3, and 4.
- If you are applying for individual credit but are relying on income from alimony, child support or separate maintenance or on the income or assets of another person as a basis for repayment of the credit requested, complete all Sections. Provide information in Section 2 about the person whose alimony, support, or maintenance payments or income or assets you are relying on. Alimony, child support, or separate maintenance income, need not be revealed if you do not wish to have it considered as a basis for repaying this obligation.

<p><b>Section 1-Individual Information (type or print)</b></p> <p>Name: _____</p> <p>Address: _____</p> <p>_____</p> <p>City/State/Zip: _____</p> <p>Social Security #: _____</p> <p>Date of Birth: _____</p> <p>Position or Occupation: _____</p> <p>Business Name: _____</p> <p>Business Address: _____</p> <p>_____</p> <p>City/State/Zip: _____</p> <p>Length at present address: _____</p> <p>Length of Employment: _____</p> <p>Res. Phone: _____ Bus. Phone: _____</p> <p>Have (either of) you or any firm in which you were a major owner ever declared bankruptcy, or settled any debts for less than the amounts owed? <span style="float:right;"><input type="checkbox"/> Yes (if yes, please provide details on a separate sheet) <input type="checkbox"/> No</span></p> <p>Are (either of) you a defendant in any suit or legal action? <span style="float:right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</span></p> <p>Are (either of) you presently subject to any unsatisfied judgments to tax liens? <span style="float:right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</span></p> <p>When, if ever, have (either of) you been audited by the IRS?</p>	<p><b>Section 2-Other Party Information (type or print)</b></p> <p>Name: _____</p> <p>Address: _____</p> <p>_____</p> <p>City/State/Zip: _____</p> <p>Social Security #: _____</p> <p>Date of Birth: _____</p> <p>Position or Occupation: _____</p> <p>Business Name: _____</p> <p>Business Address: _____</p> <p>_____</p> <p>City/State/Zip: _____</p> <p>Length at present address: _____</p> <p>Length of Employment: _____</p> <p>Res. Phone: _____ Bus. Phone: _____</p>
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Section 3-Statement of Financial Condition as of							
Assets (Do not include assets of doubtful value)	In dollars (omit cents) (Individual)	(Joint)	If joint, with whom	Liabilities	In dollars (omit cents) (Individual)	(Joint)	If joint, with whom
Cash, Checking & Savings, CD's-see Schedule A				Notes payable to banks & others-see Schedule H			
U.S. Gov't. & marketable securities-see Schedule B				Due to Brokers			
Non-marketable Securities-see Schedule C				Amounts payable to others-secured			
Securities held by broker in margin accounts				Amounts payable to others-unsecured			
Restricted, control or margin account stocks				Accounts & bills due			
Real Estate owned-see Schedule D				Unpaid income tax			
Accounts, loans & notes receivable				Other unpaid taxes & interest			
Automobiles				Real Estate mortgages payable-see Schedules D & H			
Cash surrender value-life insurance-see Schedule E							
Vested interest in deferred compensation/profit-sharing plans-see Schedule F							
Business ventures-see Schedule G							
Other assets/personal property itemize-see Schedule G if applicable							
				Total Liabilities			
				Net Worth			
<b>Total Assets</b>				<b>Total Liabilities and Net Worth</b>			

Section 4-Annual Income For Year Ended								
Annual Income	[Individual]	[Joint]	Annual Expenditures	[Individual]	[Joint]	Contingent Liabilities Estimated Amounts	[Individual]	[Joint]
Salary, bonuses & commissions	\$		Mortgage/rental payments			Do you have any... Yes No \$		
Dividends & Interest			Real Estate taxes & assessments			Contingent liabilities (as endorser, co-maker or guarantor?) <input type="checkbox"/> <input type="checkbox"/>		
Real Estate income			Taxes-federal, state & local			(On leases? On contracts?) <input type="checkbox"/> <input type="checkbox"/>		
Other Income (alimony, child support or separate maintenance income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation)			Insurance payments			Involvement in pending legal actions? <input type="checkbox"/> <input type="checkbox"/>		
			Other contract payments (car payments, charge cards, etc.)			Contested income tax liens? <input type="checkbox"/> <input type="checkbox"/>		
			Alimony, child support, maintenance			Any estimated capital gains tax on the unrealized asset appreciation? <input type="checkbox"/> <input type="checkbox"/>		
			Other Expenses			Other special debt or circumstances? <input type="checkbox"/> <input type="checkbox"/>		
<b>Total Income</b>	\$		<b>Total Expenditures</b>	\$		If "yes" to any question(s) describe:		
						Total Contingent Liabilities	\$	

(Complete Schedules and sign on Reverse Side)

**SCHEDULE A-CASH, CHECKING AND SAVINGS ACCOUNTS, CERTIFICATES OF DEPOSIT, MONEY MARKET FUNDS, ETC.**

Name of Financial Institution	Type of Account	Owner	(J)	If Pledged, to Whom?	Balance

**SCHEDULE B-US GOVERNMENT & MARKETABLE SECURITIES (Use additional sheet if necessary)**

Number of Shares or Face Value of Bonds	Description	In Name of	Are these Registered, Pledged, or Held by Others?	Market Value	Exchanges Where Traded

**SCHEDULE C-NON-MARKETABLE SECURITIES (Use additional sheet if necessary)**

Number of Shares	Description	In Name of	Are these Registered, Pledged or Held by Others?	Value	Method of Valuation

**SCHEDULE D-INVESTMENTS IN REAL ESTATE (Use additional sheet if necessary)**

Description/Location of Real Estate Investment	(J)	Date of Original Investment/Amount	% Owned by You	Market Value of Your % of Investment	Present Balance	Monthly Payment	Mortgage Maturity Date	Mortgage owed to

**SCHEDULE E-LIFE INSURANCE CARRIED, INCLUDING GROUP INSURANCE**

Name of Insurance Company	Owner of Policy	Beneficiary and Relationship	Face Amount	Policy Loans	Cash Surrender Value

**SCHEDULE F-VESTED INTEREST IN DEFERRED COMPENSATION/PROFIT-SHARING PLANS**

% Vested	Company Name	Account Number	Manner of Payout (Annuity, Lump Sum, etc.)	Distribution Date	Beneficiary	Amount

**SCHEDULE G-BUSINESS VENTURES (Use additional sheets if necessary)**

List Name and Address of Any Business Venture In Which You are a Principal or Partner	Your Position/ Title in the Business	Line of Business	Years in Business	Total Assets Listed in Section 3	Your % of Ownership	Net Worth of Business	Present Net Value of Your Investment

**SCHEDULE H-LOANS OWING BANKS, BROKERS, FINANCE COMPANIES, AND OTHERS (MASTERCARD, VISA, ETC.)**

Owing to (Acct. No.)	(J)	Date of Original Borrowing/Amount	Present Balance	Due	Monthly Payment	Date of Final Pay't	Secured By

The information contained in this statement is provided to induce you to extend or continue the extension of credit to the undersigned or to others upon the guaranty of the undersigned. The undersigned acknowledges and understands that you are relying on the information provided herein in deciding to grant or continue credit or to accept a guaranty thereof. Each of the undersigned represents, warrants, and certifies that (1) the information provided herein is true, correct and complete and gives a correct and complete showing of the financial condition of the undersigned, (2) the undersigned has no liabilities direct, indirect or contingent except as set forth in this statement, and (3) legal and equitable title to all assets listed herein is in the undersigned's sole name, except as may be herein otherwise noted. Each of the undersigned agrees to notify you immediately and in writing of any change in name, address, or employment and of any material adverse change (1) in any of the information contained in this statement or (2) in the financial condition of any of the undersigned or (2) in the ability of any of the undersigned to perform its (or their) obligations to you. In the absence of such notice or a new and full written statement, this should be considered as a continuing statement and substantially correct. You are authorized to make all inquiries you deem necessary to verify the accuracy of the information contained herein, and to determine the credit-worthiness of the undersigned and the undersigned hereby authorizes all persons of whom you make such inquiries to respond thereto in full. Each of the undersigned authorizes you to answer questions about your credit experience with the undersigned.

Date Signed: \_\_\_\_\_ Signature (Individual): \_\_\_\_\_

Date Signed: \_\_\_\_\_ Signature (Other Party): \_\_\_\_\_

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## SECTION II: Statement of Sources and Uses of Funds

Firm Name: \_\_\_\_\_ Franchise Concept: \_\_\_\_\_

Store # \_\_\_\_\_

Franchise Location: \_\_\_\_\_

### A. List all major costs to be incurred in opening this location:

	Total Dollar Amount Needed	Paid To Date	Unpaid
Real Estate (if you own location)			
Purchase price (if acquiring existing location)			
Franchise Fee (or Transfer Fee)			
Furniture, Fixtures, and Equipment			
Leasehold Improvements			
Signage			
Inventory			
Training			
Deposits			
Other (Describe with Breakdown)			
Working capital			
<b>TOTALS</b>			

### List the sources of funds for all costs to be used to complete this project:

	Total Dollar Amount (Sources)	Paid to Date	Available and Intended for Use on this Project
Bank Deposit Accounts			
Sale of Securities			
InSource Capital Services Financing			
Unsecured Bank Loan/Line (circle)			
Home Equity Loan/Line (circle)			
Seller Financing			
Leaseholds Paid by Landlord			
Third Party Personal loan			
Gift (Provide Gift Letter)			
Other ie:investor,etc (describe)			
<b>TOTALS</b>			

Prepared By: \_\_\_\_\_ Date: \_\_\_\_\_

**TOTALS FROM TABLE A SHOULD MATCH TOTALS FROM TABLE B**

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## SECTION III: QUESTIONNAIRE

Firm Name: \_\_\_\_\_

DBA/Franchise Name: \_\_\_\_\_

1. What is your motivation for opening a franchise at this time? \_\_\_\_\_  
\_\_\_\_\_

2. How did you select this particular franchise concept? \_\_\_\_\_  
\_\_\_\_\_

3. Please summarize your credit profile over the past 5 years.

A. Any outstanding tax liens, bankruptcy or judgments? Yes: \_\_\_\_\_ No: \_\_\_\_\_

B. Do you know your credit score/FICO score? Yes: (Score) \_\_\_\_\_ No: \_\_\_\_\_

4. Has the franchise fee been paid? Yes: \_\_\_\_\_ No: \_\_\_\_\_ Store #: \_\_\_\_\_

Who is/are the Franchisee(s) of Record? \_\_\_\_\_

Location: \_\_\_\_\_  
(street address, city, state & zip code)

5. Has the above location been secured for this franchise? Yes: \_\_\_\_\_ No: \_\_\_\_\_  
(If so, please provide a copy of the space lease.)

6. What do you feel are the strengths and weaknesses of this location?  
\_\_\_\_\_  
\_\_\_\_\_

7. Who will manage the day to day operation at this location?  
\_\_\_\_\_

(Please summarize the manager's relevant experience or attach a resume.)

8. Is this the first location that you will open? Yes: \_\_\_\_\_ No: \_\_\_\_\_

(If YES, please go on to #9, if NO, please complete a, b, c)

a. Timeline (Dates) of opened locations: \_\_\_\_\_  
\_\_\_\_\_

b. Name and type (Corp, LLC, etc.) of operating entity for each LOCATION:

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Type: \_\_\_\_\_ Type: \_\_\_\_\_

# QUESTIONNAIRE (continued)

## c. Debt schedule(s) on existing franchised locations: (if applicable)

USE ADDITIONAL SHEET IF NECESSARY (if more than 3 locations)

Lender: _____	Lender: _____	Lender: _____
Opening Date: _____	Opening Date: _____	Opening Date: _____
Original Amount: _____	Original Amount: _____	Original Amount: _____
Balance: _____	Balance: _____	Balance: _____
Mo. Payment: _____	Mo. Payment: _____	Mo. Payment: _____
Maturity Date: _____	Maturity Date: _____	Maturity Date: _____
Collateral: _____	Collateral: _____	Collateral: _____
Balloon/Residual:(if applicable): _____	Balloon/Residual:(if applicable): _____	Balloon/Residual:(if applicable): _____

9. Do you own any other franchise agreements that are not yet opened? Yes: \_\_\_\_\_ No: \_\_\_\_\_

10. Have you ever owned a business before, franchise or other? \_\_\_\_\_

A. If yes, provide details of that business \_\_\_\_\_

B. Do you still own that business? \_\_\_\_\_ If not, how did you dispose of it? \_\_\_\_\_

11. Will any of the owners (and/or spouses) of this business keep their existing employment? \_\_\_\_\_

a. If yes, which owner(s)/spouse(s)? Please use additional page if needed if more than 3 owners

Name: _____	Name: _____	Name: _____
Relationship: _____	Relationship: _____	Relationship: _____
Occupation: _____	Occupation: _____	Occupation: _____
Employer: _____	Employer: _____	Employer: _____
How Long: _____	How Long: _____	How Long: _____
Annual Income: _____	Annual Income: _____	Annual Income: _____

b. If this is a family business, which family members will work full time in the business? \_\_\_\_\_

c. If working full time, will they have an employment contract, earn ownership, or otherwise be compensated with ownership? \_\_\_\_\_

d. How much of your total family income do you expect to generate as a result of this business? \_\_\_\_\_

e. How much equity do you plan to invest in this business? \_\_\_\_\_

f. Will you be borrowing any funds in addition to this request? \_\_\_\_\_

12. What is the anticipated opening date for this location: \_\_\_\_\_

13. Who is your contact person (area director or development agent) at franchise? \_\_\_\_\_

Name: \_\_\_\_\_ Telephone Number: \_\_\_\_\_