

***Preliminary Due Diligence Checklist***  
Purchase Order Finance Loan Documentation

This ***Preliminary Due Diligence Checklist*** outlines the documentation requirements for a loan submission package for purchase order financing. ***Preliminary Due Diligence Checklists*** for other transactions (including SBA credit line applications) are available on our website or by request.

The ***Checklist*** is based on our primary purchase order financing lender's requirements and includes only the information necessary to initiate discussions with the lender and reach a preliminary consensus on rates and terms (i.e. to get a lending commitment from the lender). Additional documentation may be required during the underwriting period and at closing. Other lenders may require different or additional information. Many requirements are idiosyncratic to the project, your product, the lender's criteria or your financial situation.

***Company information (general)***

- Legal Name and DBA
- Street address, including zone or zip code, for primary location
- Telephone number and name of primary contact
- Fax number for primary contact
- E-mail of primary contact
- Name and e-mail address of all company contacts
- Federal and state ID numbers for entity and all related entities

***Company legal information***

- Legal status of entity (for primary entity and all related entities)
  - Type of entity (evidence of incorporation, partnership agreement, etc.)
  - Bylaws (Operating Agreement) of the entity
  - Certificates of qualification for all states in which facilities or personnel are located
- Resolution authorizing acquisition of financing and debt
- Legal and tax proceedings
  - Description of any legal issues pending involving the company or its products
  - Description of any legal issues previously resolved involving the company, its principals, or its products (include description of resolution)
  - Description of existing tax liens, audit issues, or tax payment plans involving the company
- Government Regulations: Summary of all critical governmental issues that regulate the use of the product, including
  - Trademark and copyright issues
  - Environmental issues
  - Issues governing incorporation of the product into both existing and new construction
  - Copies of all necessary permits or licenses for the use of the product

**EA# 036074, CalBRE License # 01706626, CRD #s 230786 and 6499051**

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***Product information***

- Product description—description of use, production, and distribution process for product, photographs (if available), renderings, and estimated critical path timing from materials acquisition to delivery
- Cost and cost per unit of materials, labor, and overhead for manufacture of the product. Include all fully landed delivery costs and cost to distribute the product domestically
- Identification of manufacturer, installer, principal subcontractors with supporting financial data and past performance of parties. Copies of agreements executed among parties.
- Description and copies of trademarks, copyrights, or licenses involved in the manufacture of the product

***Market and Financial data***

- Borrower's company history, vitae or resume and/or narrative biography.
- Vitae or resume and/or narrative biography for any other principal project sponsor(s) or key personnel
- Full set (three years or from inception of entity if shorter) of financial statements
- Current interim financial statements for borrower
- Current A/R and A/P aging for borrower
- Trade references (3 or more) for borrower
- Full set (three years or from inception of entity if shorter) of income tax returns for the borrower and for participant(s) with 20% or more interest in the project
- Full set (three years or from inception of entity if shorter) of financial statements and income tax returns for all entities in which the borrower or other principal(s) have an interest of 20% or more
- Pro forma operating statements.
- List of all factoring and/or purchase order financing agreements (including inactive lines and previously used lines)
- Net Worth Statement (Personal Balance Sheet) and supporting Detail for each principal who holds a 20% or greater interest in the borrower.

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***Customer information***

***List of primary customers for the product***

- All customers who represent 20% or more of estimated sales (key customers)
- All customers who will generate purchase orders that will be financed
- Include customer terms and estimated sales volume
- If not previously provided, estimated critical path timing from materials acquisition to delivery and payment by customer
- Terms and payment history for key customers

***Supplemental information***

***Contact Name, Firm Name, Firm Location, Length of Association, Phone and FAX Number for***

- Banks
- Factors
- Accounting, Tax, CPA, and Bookkeeping Services
- Law Firm(s)
- Insurance Agent
- Sourcing Agents
- Inspection Agent(s)
- Customs House Broker(s)
- Fulfillment House(s) or Agent(s)

***Steven Roy Management agreements***

- Non-disclosure agreement
- Commission/Fee agreement and payment schedule
- Waiver and release to perform credit check and title search
- Application fee for lender (\$1,000)