



Funding With Support of *Platinum's Endorsement Participation Program*

For Educational Purposes Only—Not a prospectus or offering

Background to Commercial Credit Crunch

Starting in August 2007 and dramatically cascading in August, September and October 2008, the world witnessed an economic meltdown on Wall Street, in federally insured banking institutions, and the liquidation and merger of some of America's largest financial institutions including *Lehman Brothers*, *Washington Mutual*, *Wachovia Bank*, along with government assistance of many others including *American Insurance Group (AIG)* and *Bear Stearns*. The federal bailout of *Fannie Mae* and *Freddie Mac* along with the other woes of the housing and commercial markets has led to a very difficult situation for those needing to access capital (funding)—there is a substantial credit tightening in the United States that will take some time before credit becomes readily available again in the traditional marketplace.

Only the strongest projects and businesses are able to secure the monies they currently need for acquisition, development and expansion. If your business credit rating is "A" or above and you have good, strong cash flow, chances are you are able to secure the money you need for your business or project. However, if you are like many businesses in the marketplace today, you are learning that credit and loans are much harder to come by than in years past. So what can you do about it? Your credit and cash flow are relatively pre-determined and any actions you might take today will not likely change those two indicators very much in the short term—the term when you need money.

Solution to Current Commercial Credit Crunch

There is a solid, time-proven method for commercial enterprises to obtain the money they need with the correct strategies and tactics, the know-how to access that money, and the ability to accomplish the funding objectives. We call the program ***The Endorsement Participation Program***. If an A-rated or better local, state or federal **governmental body; financial institution or bank; or private sector corporation** becomes a partner with the funding objective, we can secure the money you need without upfront fees and loan-preparation costs. Also, strong asset-based companies and individuals (such as those holding large amounts of unencumbered U.S. Treasury Bonds or similar highly-liquid assets) make for excellent partners under this program.

This begs the question: Why would a government, financial institution, or A-rated private sector corporation want to become involved with your project or business funding needs? The answer is more straightforward and obvious than you might realize.

Government Participation: If a governmental body (city, county, state, federal agency) enjoys a credit rating of “A” or better, has the cash flow establishing sound management and ability to perform, **and** your project serves a greater public good such as reclaiming a blighted area, reducing crime, or bringing jobs, new industry, or tourism dollars to the area, there is a perfect arrangement for a win-win-win (our lender, the Endorsement Participant, and the borrower) situation.

This funding works best when there is a strong government-developer relationship on raw land or improved real estate (perhaps a site that is in a blighted area of the community). The program helps the developer acquire the property and properly develop or redevelop it into a new and economically viable site that generates jobs, tax revenues, and attracts business or tourism to the revitalized district. Our goal is to provide developers and municipalities/counties/states an alternative financing solution when traditional financing is not available or too expensive. Municipalities benefit from this program as it provides financing for developers allowing municipalities to move forward with their development and redevelopment plans in a tight credit market. With this program no municipality/county/state bonds are required. Financings can be structured to avoid being classified as debt on the balance sheets of the government body, which is more beneficial for many budget-restricted entities such as large corporations, hospitals, school districts, government agencies, etc.

Government and utility organizations that have participated in the Endorsement Participation Program include *Bell Atlantic Corporation, Commonwealth Edison, Consolidated Edison (Con Ed), Idaho Power Company, Indiana Bell Telephone, Kansas City Power & Light Company, Northern Indiana Power Service Co. (NIPSCO), Northern States Power Company, Ohio Edison Company, San Diego Gas and Electric Company, SunAmerica*, a significant number of city, county, and state governments, and *The United States of America (Federal Government)*.

Financial Institution/Bank Participation: If a bank or financial institution enjoys a credit rating of “A” or better and is willing to administer the loan (all of the loan proceeds are initially deposited into the bank or financial institution permitting it to enjoy the benefits of the bank float, increase asset base, etc, without increasing liabilities on its ledgers during the pendency of your project), there is a perfect arrangement for a win-win-win (our lender, the Endorsement Participant, and the borrower) situation. Banking and financial institutions that have participated in the Endorsement Participation Program include *Banc One, Bank of America, Bank of America Illinois, Bank of Boston, Bank of California, Bank of Sierra, Bank of the West, Central California Bank, Citibank, City National Bank, Credit Suisse/First Boston, El Dorado Savings Bank, First Bank of Alaska, Hawthorne Savings FSB, Huntington Bank, Key Bank, MBNA Corporation, Natwest Bank N.A, Star Bank, Wells Fargo Bank, Western Sierra National Bank, U.S. Bancorp, Fannie Mae, and Freddie Mac*, to name a few.

Corporate Private Sector or Private Individual Participation: If a corporation or qualified individual enjoys a credit rating of “A” or better or has unencumbered U.S. Treasuries or other relatively liquid collateral, has an interest in the project but may not want to spend its/his own cash, there is a perfect arrangement for a win-win-win (our lender, the Endorsement Participant, and the borrower) situation. Similar to the government or bank participation arrangement, the loan proceeds may (must be negotiated with our lender) be deposited with the corporation and distributed under the draw down schedule contracted at the time of the closing of the funding transaction.

Some private institutions that have participated in the Endorsement Participation Program include *Advanced Micro Devices, American Express, Aegon Insurance Company, Agency Rent-a-Car, American Family Mutual Insurance Company, American General Life Insurance Company, Burroughs Wellcome (Glaxco), FNBC Leasing Corporation, Harley Davidson, Heilig-Meyers Company, KMart Corporation, Manufacturer's Life Insurance Company, McCormick and Company, Medtronic Inc., Nationwide Life Insurance Co., New York Life Insurance Company, Prudential Insurance Company of America, R.R. Donnelley & Sons Company, The Sherwin-Williams Company, Transamerica Life Insurance Company, United Farm Family Insurance Company, United Parcel Service, Inc., U.S.A.A. Insurance, and Whirlpool Corporation.*



It is our pleasure to confirm that *Platinum Business Group, Ltd* has a sound program that would use the track record of the developer, an eligible project, and the credit strength of the Endorsing Party (e.g., municipalities and/or state government; bank or financial institution; or private sector corporation) to fund the acquisition, site development or redevelopment, and construction of appropriate property and/or cash infusion into business expansion (such as a new technology, new pharmaceutical, or enlarging market shares of existing goods and services).

Overview of the Endorsement Participation Program

Our lender has a solid track record of successful projects using this program.

Highlights of using this financing option include:

- Non-recourse to the *Client's* project or partners.
- Personal financials are not required and will not impact closing on the financing (due diligence will be conducted on the individuals, team, and company for experience in completing similar projects).
- The project property, company or other contracts the *Client* has in place are not in jeopardy of being “called” or encumbered by *Lender*. Depending on the relationship and negotiations between the *Endorsing Party* (e.g., government, bank, corporate, or individual participant) and *Client/borrower*, the *Endorsing Party* may encumber the newly acquired site or business if required to protect its interest in the project.

- Low interest rates are determined by a combination of the term of loan and credit of the investment-grade *Endorsing Party*.
- Unique flexibility in payment terms allowing the *Endorsing Party* and *Client* to customize repayment to suit the specific cash flow and corporate needs of the project, including the option to defer initial repayment for up to ten years, and periodic scheduled payments extending from 1 year to 20 years.
- Financing can be from 2 – 20 years with interest rate fixed at closing of the loan.
- *Lender* does not charge any origination fees. Further, there is no requirement to grant equity (stock, options, warrants, etc).
- *Clients* have the ability to utilize the funds for whatever business purpose they choose (operations, acquisitions, dividends, etc) without any restrictive covenants from the *Lender*.
- Once all required documents have been provided and agreements signed financing will generally close within 30 - 45 days.
- *Clients* are not subjected to any post funding reporting requirements.
- *Lenders* attorney will work with *Client's* attorney and *Endorsing Party* attorney to provide the necessary wording in the contracts and agreements.
- *Lender* has experience and proven track record exclusively offering businesses access to capital via its unique financing structure which is the result of relationships built over 20 years and \$3 billion in loans.

The Program Qualifications include:

- *Client's* project or development meets *Lender's* criteria
- The credit rating from *Moody's* and *Standard and Poor's* for *Endorsing Party* meets the lending criteria.
- Obtain the financial statements for the immediate past three years (2006, 2007, and 2008) and the current year-to-date (2009).
- An absolute and unconditional promise to pay from an investment-grade rated *Endorsing Party*.
- Date-certain and sum-certain payment obligations by *Client* backed by *Endorsing Party*.
- Receive *Lender's* confirmation that project qualifies for credit enhanced program.

The Program Financing Process

- *Platinum* representatives would meet with the *Client* to go over the project financing requirements and *Lenders* financing program.
- If all parties agree the *Lenders* financing program would provide the *Client* with the required project funding *Platinum* would continue the process to secure project financing with our *Lender*.
- *Platinum* would request a general obligation credit rating from *Moody's* and *Standard and Poor's* on the *Endorsing Party* (e.g., government, bank, corporate or individual participant).

- If the *Endorsing Party* general obligation credit rating were within the lending parameters we would request and review the last three years audited annual financial statement of the *Endorsing Party*.
- If the *Endorsing Party* qualifies, *Platinum* would arrange a meeting between representatives of the *Lender* and *Client* to go over details of the *Lenders* financing program.
- If *Lender* and *Client* agree to continue moving forward with the *Lenders* financing program a meeting will be setup between the *Lender*, *Client* and *Endorsing Party* to review the financing program and confirm all parties willingness to proceed.
- *Lenders* attorney will work with the *Endorsing Party* and *Client* attorney to verify the wording in the agreements for unconditionally agreement to pay by the *Endorsing Party* for the financing provided by *Lender* in case of non-payment by the *Client*.
- Once all contracts and agreements are completed and signed by all parties *Lender* will move to closing the financing, funds could be available within 30 - 45 days.
- When transaction closes *Lender* would transfer 100 % of the funds via wire transfer to the institutional account that had been established for this transaction as per agreement between the *Client* and *Endorsing Party*. Funds can be draw from this account as defined in the agreement between the *Client* and *Endorsing Party*.
- As specified in the financing term sheet provided by *Lender* and agreed too by *Client* and *Endorsing Party* for this transaction the *Client* will start making payments of either interest only or interest and principal in the nth year of the financing.
- Payments will continue as specified in the financing term sheet until the loan is paid off.

NOTE: *Platinum Business Group, Ltd* is not a licensed financial planner or insurance agent. *Platinum Business Group, Ltd* has established strategic alliances with licensed professionals that enjoy years of experience in this field.

Revised: 03.12.09