

****SECURITY BASED LOAN****

This is for anyone who has securities to pledge to do anything!!!

\$400K Minimum Pledge Amount

THIS IS NOT A MORTGAGE LOAN

******Real estate Equity is NOT ACCEPTABLE******

Benefits

- Fixed interest rates between 2.5% and 4.5%
- Interest Only quarterly loan payments
- Loan terms of 3, 5, 7, or 10 years
- No income, citizenship or credit criteria
- Funds may be used for any purpose including real estate purchase, business expansion but Proceeds of the loan may not be used to acquire publicly traded equity securities.
- Non-Recourse Loan. The loan is only collateralized by the pledged securities (Stocks, Bonds Etc) - not real estate or other personal property
- Loans available for up to 75% of the securities' value
- The borrower keeps all dividends and upside market appreciation of the securities

How It Works

- Loan-to-value ratio and the interest rate are driven by what securities are pledged. The more liquid and actively traded securities the higher the loan-to-value ratio and lower the interest rate.
- No principal amortization or loan prepayment Interest Only
- At the end of the loan term the loan may be renewed, refinanced, or paid off.
- At pay off, the exact number of shares or collateral initially pledged is returned to the borrower.
- Default trigger set at 80% of the loan amount not 80% of the securities' value like typical margin loans. For example: securities value of \$1MM, loan of \$800k, default trigger at \$640k (80% of the loan amount). If the securities value fell below \$640k the borrower could walk away from the obligation of repayment of the loan and securities and keep the original loan proceeds (\$800k) or contribute cash or securities to bring value back to \$640k.

Criteria

- The stock must be free-trading without any restrictions and the borrower cannot own more than 10% or more in the company of the issuer.
 - Retirement funds (401k's, pensions, etc), do not qualify for this program.
 - The process of acquiring a loan through Consulting Group is designed to be done quickly and efficiently due to the unique personality of the security and time value of money. The following steps are taken to ensure the timeliness of the transaction which is usually 5-7 business days.
1. Contact Consulting Group with complete details on the proposed collateral and the amount of non-purpose funding needed.
 2. Provide proof of ownership of your stocks, bonds, or options with either electronic or certificate documents. Eligible collateral include free trading securities and restricted securities which are available for trade.
 3. Consulting Group will first determine the viability of the loan and then calculate a loan to value ratio, or LTV, and the interest rate, based on an assessment of both short and long term risks. At this time you will be sent a term sheet with all of the elements stated above.
 4. You agree to terms, sign all contracts, arrange for your assets to be transferred, and make quarterly interest payment.