

Small Business Mentor Resource Guide

Learn about an innovative and risk free model to work with small business owners in your community.

Why This Matters

- Our 501(c)(3) has received **grant funding** to work with small businesses in your community to access capital via business credit and SBA loans.
- We are looking for a licensed insurance agent to help **teach** small businesses.
- As every SBA loan applicant is required to have a properly designed Key Person Policy to serve as a collateral assignment, **we need a local agent to write these policies.**

Leads = Financial Success

- Insurance agents, as well as any professional service, can only be financially successful if they have leads.
- Historically, generating leads is challenging, expensive (\$25 to \$100 per exclusive warm lead), or both.
 - Our model pivots the proposition--**we'll pay you to prospect!**
- Better yet, our model of prospecting is phenomenal:
 - We put you in front of the room full of local small business owners.
 - You'll review their Personal Financial Statement (required for business loans) which includes their income, savings, retirement savings, current insurance policies, etc.
 - Can you think of a better qualification tool???
- Even better, you'll help them write the required life insurance policies required by the lenders to serve as a collateral assignment.
- Many will need other assistance from you, i.e., Buy/Sell policies, annuities, long term disability policies, etc.

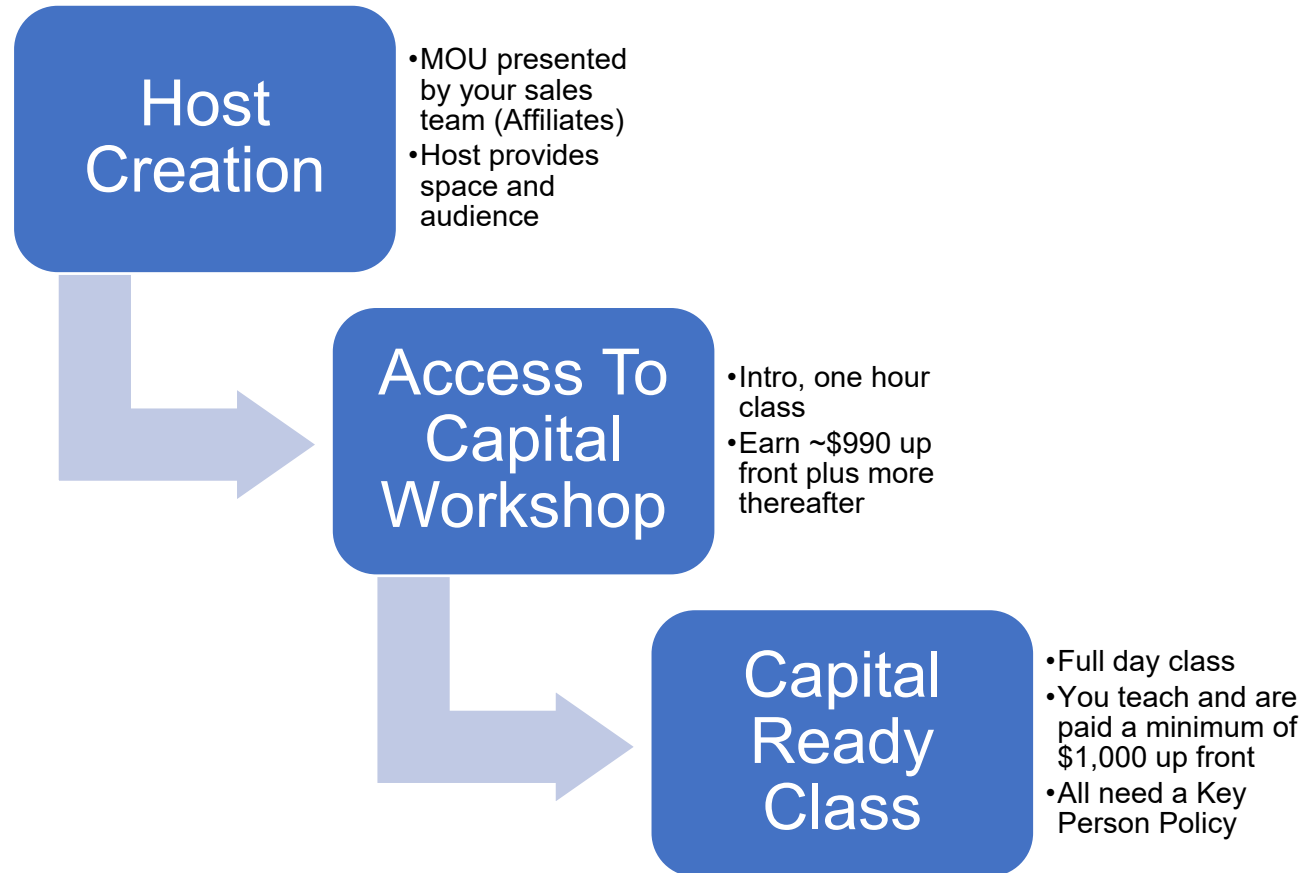
Credible Program

- Program was developed to increase access to capital by current and former:
 - SCORE Mentors
 - SBDC Advisors
 - Business Bankers
- Curriculum is award-winning, designed by the FDIC and promoted by the SBA
- Leadership team includes:
 - Karen Thompson, JD. General Counsel
 - Thomas Montgomery, MBA. Former SCORE Mentor/Workshop Chair, SBDC Advisor
 - Chuck Vanderbilt. SBA lender, former SBDC Executive Director
 - Aristotle Montgomery. US Army Psych Ops/Airborne, insurance agent licensed in 26 states
 - State Directors locally supporting our Mentors in their area

How The Small Businesses Are Gathered Into A Class

- We set up relationships with “hosts” like churches, chambers, business organizations/associations, co-working spaces, etc. under a MOU agreement
 - Let us know if you want to see the MOU agreement and we’ll send to you
 - We have a revenue share with the host
- The host provides:
 - The venue for the class (or it can be conducted on-line)
 - The sphere of influence to invite (the participants)
- Small Business Mentors (agents) teach the class and write the Key Life Policies
 - We can set up the classes for you to teach or you/your staff can and also share in the program revenue (minimum of \$1,000 paid to you per class + the insurance commissions)

Understanding The Typical Funnel



We'll Build A Local Sales Team For You To Generate Hosts/Classes

- Wouldn't it be valuable to have at least three to five local sales reps out generating clients for you (at no cost)?
- That is our model!
 - We'll get at least three to five "Affiliates" who will present the Memorandum of Understanding (MOU) to key influencers (hosts) in your community to get classes set up
 - We'll pay them
 - We'll train them
 - You'll work with the hosts, i.e., Chambers, churches, business organizations/associations, that they develop
 - They'll report to you so you can be assured of results
 - We can replace weak performers or build a much larger team, if you prefer

Small Businesses Leverage What They Learn In The Class To Get Funding...

BBVA Compass

April 1, 2019

This summary of indicative terms and conditions is not a commitment to lend or to provide any other service related to a financing. Any such commitment or undertaking will be issued only in writing subject to appropriate documentation, the terms of which are not limited to those set forth herein. This summary of indicative terms and conditions is intended as an outline of certain of the material terms of a proposed financing and is not intended to summarize all of the conditions, covenants, representations, warranties and other provisions that would be contained in definitive loan documents, and it subject to, among other things, completion of due diligence and credit approval by BBVA Compass Bank and SBA.

Borrower: [REDACTED] LLC

Guarantors: [REDACTED]

The following is a preliminary breakdown of the SBA 7a loan project costs and financing structure:

Use of Funds	Project Costs		
Equipment	\$ 400,000		
Working Capital	\$ 15,000		
SBA Guarantee Fee	\$ 7,700		
Closing Costs	\$ 7,300		
Total Project Costs	\$ 430,000		
Sources of Funds		% contribute to eligible costs	
Borrower Equity Injection	\$ 80,000	10%	
Compass Bank / SBA	\$ 350,000	81%	
Total Project Costs	\$ 430,000	100%	

*Costs are estimates only for budget purposes. Actual fees and costs may vary. Bank will not be liable for possible costs differential.

Estimated Loan Fees & Costs	
\$ 750	SBA Packaging Fee
\$ 200	Lien Searches
\$ 200	Courier Fees
\$ 4,000	Attorney Fees
\$ 200	Filing Fees
\$ 1,950	Contingency
\$ 7,300	Total Cost and Fees

Amount of Loan: \$350,000
Purpose: Provide financing for the purchase of trucks and trailers
Loan Term: 10 years -120 monthly payments of principal & interest adequate to fully amortize the loan in 10 years.

Interest Rate:
Option #1
 The rate is priced at WSJP +0.75% fixed for (5) years, to be adjusted in five year increments at the same Index for the term of the loan. (Wall Street Journal Prime rate as of the date of this memo is 5.50%, providing a rate of 6.25%).

Option #2
 The rate is priced at WSJP + 1.00% fixed for (7) years, to be adjusted in seven year increments at the same Index for the term of the loan. (Wall Street Journal Prime rate as of the date of this memo is 5.50%, providing a rate of 6.50%).

The applicant expressly acknowledges and agrees that the rate may fluctuate as Wall Street Journal Prime Index fluctuates up to the day of loan closing. The applicant also expressly authorizes BBVA Compass to raise or lower the rate based on any Wall Street Journal Prime Index changes up to the day of loan closing.

Monthly Payment Amount:
 Option #1 - \$3,930 (Based on Current Rate)
 Option #2 - \$3,975 (Based on Current Rate)

Term sheet expires two weeks from date

Collateral: First Deed lien UCC on business assets of entity to be formed

Personal Guaranties of [REDACTED]

Additional collateral and life insurance may be required, in accordance with SBA regulation, only if exposure is present based on appraised value of the properties.

If the Terms and Conditions are acceptable and you desire BBVA Compass Bank to proceed with its underwriting and approval process, please, acknowledge this letter below and return the same to the undersigned, along with a good-faith deposit in the amount of \$10,000 (the "Expense Deposit"). The Expense Deposit will be applied by Lender against any Indemnified Costs, regardless of whether or not the Facility closes. Lender will refund to you any unused portion (i.e., any portion of the Expense Deposit in excess of the Indemnified Costs) of the Expense Deposit either (a) upon the closing of the Facility, or (b) within sixty days after either party notifies the other party that it is terminating discussions regarding the Facility. You agree to reimburse Lender for any unpaid Indemnified Costs in excess of the Expense Deposit.

We at BBVA Compass thank you for the opportunity to work with your financing needs. Feel free to contact [REDACTED] or via email at [REDACTED]@bbva.com with any questions pertaining specifically to the nature of the SBA facility described.

Hooking Your Hose To A Running Faucet

- Insurance agents see our relationship/business development program to be analogous to hooking their hose to a running faucet.
- Astute agents look for three factors when deciding how to grow their book of business:
 1. A monster market (there are over 28 million small businesses and most need capital);
 2. An unfair competitive advantage (our grant-funded programming provides that); and
 3. A business model to leverage that advantage (you teaching classes full of local small business owners and writing the required Key Person Policies is that model).

How You Make Money

1. You write the Key Person Policies
 - You control the product, carrier, etc. and retain 100% of commissions earned
 - Many participants will also need a Buy-Sell policy, 401(k) rollovers, etc.
2. For each one hour Access to Capital Class, you earn, on average, \$990
3. For every Capital Ready Class you set up and facilitate, you are paid \$50 per participant
 - Minimum class size is 20 so you are assured of \$1,000+ per class (often closer to \$2,500)
4. For classes you set up and facilitate, participants who work with us for after the class, you are paid 1% of their capital raise
 - We guarantee a \$100,000 capital raise so you'll make at least \$1,000 more per participant
5. Optionally, if you help us find other agents to help in their communities, you receive a grant-stipend of \$3,000
 - You also receive residual income of \$3,000 every year they remain a Mentor as a retention bonus

How You Are Trained

- We offer the option of in-person or on-line training for our Mentors
- Key elements of the training:
 - Develop a deep understanding of how we set up MOU agreements with churches, chambers, business associations/organizations, etc.
 - Remember, we can do this for you, if you prefer
 - Learn about the curriculum that we teach in the class
 - Let us know if you want to see a sample and we'll send it to you now
 - Become proficient in helping program participants obtain the Key Person Policy for the SBA Collateral Assignment

Guarantees & Your Cost To Participate

- We don't charge agents to participate.
 - Instead, we only collect a monthly license fee to cover our expenses to help you generate clients.
- Specifically, our Small Business Mentors only pay ~\$33 per day for us to get you in front of local small business owners in your community.
 - We have the grant-funded programming to solve the problem of most small business owners—access to capital.
 - You'll receive the tools, training, support, and money back guarantee for just \$1,000 per month.
 - We'll set up the classes for you and also train you to be able to do so as well.
- Month to month relationship with no long term commitment.
- Money back guarantee. If you haven't generated at least your investment from our programming in 90 days, we'll reimburse your license fees.

Proposition Summary

- No fees to participate—just cover our cost to help you develop clients.
- Get plugged in to work with local small business owners.
- Write the Key Person Policies that they need to obtain a SBA loan.
- Instead of paying for prospects, we'll pay you to prospect (\$1,000 per class taught/facilitated minimum).
- Turn-key program provides training and prospect generation.
- Have a local sales team (that we pay) out developing hosts for classes.
- Affordable with guaranteed results.
- Help us find other Mentors and earn a \$3,000 grant-stipend (and residually each year thereafter).
- No risk, we guarantee a positive ROI.

Don't Want To Be A Small Business Mentor?

- Consider becoming an Affiliate instead.
 - No cost to be an Affiliate.
 - Flexible schedule.
 - Very simple so training needs are minimal.
- Primary responsibility is to get the MOU in the hands of prospective host and schedule a three way call with the State/National Director.
- Then, teach the one hour Access To Capital Class.
 - Earn ~\$990 upfront from the one hour class
 - Plus ~\$10,000 in the revenue share from the capital raise

We look forward to working with you.

Business Credit Literacy Initiative

A 501(c)(3) non-profit organization

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