

# Vanguard Capital Group

## Merchant and ACH Agreement

Merchant Name: \_\_\_\_\_ Tele No: \_\_\_\_\_ Fee: \_\_\_\_\_ EIN: \_\_\_\_\_  
Merchant Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Bank: \_\_\_\_\_ Routing Number: \_\_\_\_\_ Account Number: \_\_\_\_\_

**By signing, I agree to pay the Line of Credit pre-authorization fee of 1.25% of the Line of Credit amount of \$\_\_\_\_\_ for a term of two years at a cost of one and a half percent monthly interest. Thereafter, to continue with the Line of Credit, these stipulations must be true. (a) No additional funding can be accepted after the initial funding \$\_\_\_\_\_ by Alternative Funding Solutions, Inc., up until the Line of Credit is available to withdraw. (b) Four weeks of successful weekly payments to the funding company. (c) No stop-payments, missed payments or any lapse of the original funding agreement(s) resulting in a default on the original agreement(s).**

The undersigned ("Merchant") expressly agrees and acknowledges:

1. Vanguard Capital Group ("VCG") finds and identifies ("Factors") wishing to purchase future accounts receivables ("Receivables") from merchants accepting payments for their goods and services. VCG also finds and identifies merchants wishing to sell Receivables to Factors and to assess if the Factors wish to purchase Receivables from these merchants based on information supplied by Merchant ("Information").
2. Merchant represents and warrants that it has submitted accurate and truthful information to VCG upon which VCG has reasonably and justifiably relied. Based upon the information, VCG has identified a Factor who is reasonable and justifiable reliance upon such information, has offered to purchase the Merchants Receivables. Merchant has accepted such offer and the terms of the transaction are governed by a separate agreement ("Factoring Agreement")
3. In consideration for VCG's successful and exclusive efforts in finding and identifying a Factor offering to purchase Merchants Receivables ("Services"). Merchant shall pay VCG the fee ("Fee") listed above. VCG may also accept other remuneration from Factor for its Services. Payment of the Fee as well as the costs for processing and equipment which Merchant may order above shall be made by ACH debits described herein.
4. If Merchant defaults on payment of the Fee, Merchant authorizes VCG to make all collection efforts required in its sole discretion including the use of collection agencies and the reporting of default of payment to credit reporting agencies. Merchant shall also pay late fees, collection costs and legal fees resulting from such default.
5. Merchant has not and will not attempt to circumvent VCG to directly enter into any current or future transaction with any Factor found or identified by VCG in the course of its Services to avoid payment of Fees to VCG. Any additional transaction or sale of Receivables by Merchant to Factors found or identified by VCG shall require an additional Fee of ten (10) percent of the funding taken outside of the VCG guise.
6. VCG is not a factor, lender, investor, bank or credit card processor. VCG has not offered any funds, loans or advance to Merchant. The Services have not established a fiduciary or agency relationship between VCG and Merchant or Factor and Merchant waives all rights arising from any such fiduciary or agency relationship and holds VCG harmless from any alleged breach of fiduciary or agency duties.
7. VCG has not made and Merchant has not reasonably or justifiably relied upon any representation, promise, warranty or inducement other than those expressly contained herein.
8. Merchant hereby releases and holds harmless VCG and its officers, agents, employees, heirs and assigns from any claim arising out of this Agreement or the Factoring Agreement. Under no circumstances will VCG be liable to Merchant for any sum greater than the Fee paid by Merchant to VCG. Merchant also warrants and represents that it will hold VCG harmless and defend and indemnify VCG for any claims brought or threatened alleging that the Information furnished by Merchant was false, inaccurate or misleading.

By signing below, the individual(s) represents that he/she is an owner or senior officer of the Merchant, that he/she will benefit from the Services provided to the Merchant, and that he/she consents to the terms of the Agreement. In order to induce VCG to provide the services and enter into this Agreement, each Signatory hereby personally guarantees Merchant's full performance under this Agreement, and amendment or extension thereof, including all fees, costs, and chargeback liabilities and indemnity obligations whenever so incurred by Merchant. If there is more than one Guarantor, each such Guarantor shall be jointly and severally liable. VCG may proceed against any Guarantor with or without joining or first proceeding against the Merchant entity or any other persons. Each Guarantor waives every kind of notice to which the undersigned might be entitled and agrees that the undersigned's liability shall not be affected by any act or omission of VCG, or indulgence granted by VCG, respecting Merchant. The undersigned individual(s) further unconditionally authorizes VCG, or its agents to investigate the information and references contained herein, and to obtain additional information about the Guarantors from credit bureaus and other lawful sources (including persons and companies named in this application) and including obtaining reports from consumer reporting agencies on such individuals(s). If an undersigned individual asks VCG whether or not the consumer report was requested, VCG will tell such person and, if VCG received a report, VCG will give such person the name and address of the agency that furnished same.

Signature: \_\_\_\_\_

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

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

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