

DISCLOSURES REQUIRED BY NORTH CAROLINA LAW

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any loan brokerage contract. The information contained in this disclosure has not been verified by the State. If you have any questions see an attorney before you sign a contract or agreement.

LOAN BROKER DISCLOSURE STATEMENT

In compliance with North Carolina General Statement 66-107:

- (1) Headway Sales Inc. is a Delaware Corporation doing business under the name Acorn Finance.
- (2) Headway Sales Inc. d/b/a Acorn Finance is headquartered at 2600 Capitol Avenue, Suite 320, Sacramento, California 95816. The directors are Mr. Giridhar Addanki, Mr. William Anson, and Mr. Michael Nugent. Mr. Addanki also serves as President, Secretary, and CEO. All directors can be reached at the above address. There are no employees in North Carolina.
- (3) Headway Sales Inc. d/b/a Acorn Finance has conducted business as a loan broker in North Carolina since April 13, 2020.
- (4) The total number of loan brokerage contracts Headway Sales Inc. d/b/a Acorn Finance has entered within the past 12 months is 0.
- (5) The number of loan brokerage contracts in which Headway Sales Inc. d/b/a Acorn Finance has successfully obtained a loan for the prospective borrower within the past 12 months is 0.
- (6) A copy of current financial statement of Headway Sales Inc. d/b/a Acorn Finance is attached.
- (7) Headway Sales Inc. d/b/a Acorn Finance provides a web and mobile technology platform connecting customers looking for loans with qualified lenders. Through its public website (acornfinance.com) and a qualified network of product and service dealers, the Headway technology platform enables prospective borrowers to submit for credit and, if qualified, receive, compare, and select offers from multiple lenders. Headway is not involved in making final credit decisions and does not guarantee that borrowers will be approved for loans.
- (8) Headway Sales Inc. d/b/a Acorn Finance does not charge users any fees for use of its technology platform. When a prospective borrower receives a loan through the platform, Headway may receive a fee paid by the lender.
- (9) As required by North Carolina law, this loan broker has secured a bond by Travelers Causality and Surety Company of America, a surety authorized to do

business in this State. Before signing a contract with this loan broker, you should check with the surety company to determine the bond's current status.

Headway Sales Inc.
Statement of Financial Condition
December 31, 2019

Assets:

Cash:

Cash - Edward Jones	\$ 1,450,517
Cash - Chase	83,927
Cash - Five Star Bank	<u>1,000</u>

Total Cash	<u>1,535,444</u>
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Total Assets	<u><u>\$ 1,535,444</u></u>
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Liabilities and Stockholders' Equity:

Liabilities:

Accounts Payable	\$ 33,497
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Stockholders' Equity:

Common Stock	1,000
Series 1 Seed Preferred Stock	2,334,999
Series 2 Seed Preferred Stock	242,500
Retained Earnings	<u>(1,076,552)</u>

Total Stockholders' Equity	<u>1,501,947</u>
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Total Liabilities and Stockholders' Equity	<u><u>\$ 1,535,444</u></u>
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STATE OF NORTH CAROLINA



Department of The
Secretary of State

April 8, 2020

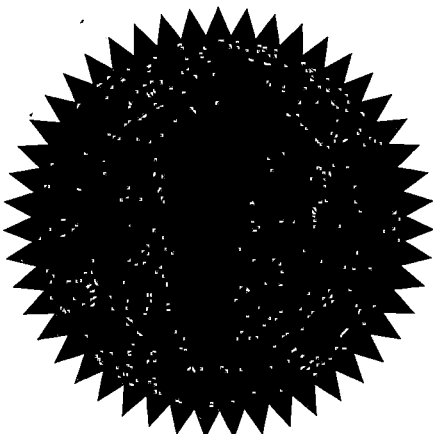
Headway Sales Inc.
2600 Capitol Avenue
Suite 320
Sacramento, CA 95816

NORTH CAROLINA LOAN BROKER FILING
Registration #339

Dear Sir/Madam:

This is to acknowledge receipt of the loan broker registration filing for **Headway Sales Inc. d/b/a Acorn Finance** on April 2, 2020. A copy of this statement has been forwarded to the Consumer Protection Section of the Department of Justice, which acts as the enforcement agency.

Registration shall be effective for a period of one year. Registration shall be renewed annually by the filing of a form prescribed by the Secretary of State for such purpose. The registration application or the renewal application shall automatically become effective upon the expiration of seven business days following the filing with the Secretary of State.



Elaine J. Marshall

Secretary of State

Bond No. 107156893

LOAN BROKER SURETY BOND

KNOW ALL MEN BY THESE PRESENTS, THAT we HEADWAY SALES INC dba Acorn Finance
_____, as PRINCIPAL and TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
, as SURETY are held and firmly bound unto the STATE OF NORTH CAROLINA, as OBLIGEE, for
the use and benefit of any person who had successfully prosecuted a cause of action arising
under Article 20, Chapter 66 of the North Carolina General Statutes (LOAN BROKER DISCLOSURE
ACT) in the sum of TEN THOUSAND DOLLARS (\$10,000) for the payment of which sum will and
surely to be made, we bind ourselves, our heirs, executors, administrators, successors and
assigns, jointly and severally, firmly by these presents.

THE CONDITIONS OF THE ABOVE OBLIGATION ARE SUCH THAT:

WHEREAS, the above-mentioned PRINCIPAL has or is about to file a DISCLOSURE STATEMENT with the Secretary of State of North Carolina as required by N.C.G.S. §66-108 and which is a condition precedent to engaging in business as a loan broker in the State of North Carolina;

NOW, THEREFORE, if said PRINCIPAL shall faithfully comply with the provisions of the NORTH CAROLINA LOAN BROKER DISCLOSURE ACT and all amendments thereto, now and hereafter enacted, then this obligation shall be null and void; otherwise to be and remain in full force and effect.

This bond may be cancelled by the SURETY at the end of thirty (30) days from the date upon which the SURETY shall have filed notice with the PRINCIPAL and the SECRETARY OF STATE OF THE STATE OF NORTH CAROLINA to cancel. This provision, however, shall not operate to relieve, release or discharge the surety from any liability already accrued or which shall accrue before the expiration of the thirty (30) day period.

IN WITNESS WHEREOF, said PRINCIPAL acting through its duly authorized officer, has hereunto set its hand and seal, and the said SURETY has caused these presents to be signed by its duly authorized officer and its corporate seal to be hereunto affixed this _____ day of _____, 20____.

HEADWAY SALES INC dba Acorn Finance

Principal

By:

Name and Official Position

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

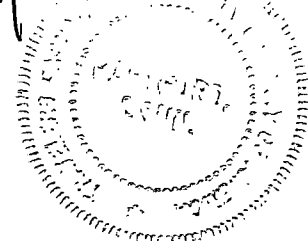
Surety

By:

MICHAEL NESCHKE, ATTORNEY IN FACT

COUNTERSIGNED:

Licensed Resident Agent



TRAVELERS

**Travelers Casualty and Surety Company of America
Travelers Casualty and Surety Company
St. Paul Fire and Marine Insurance Company**

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint **MICHAEL K NESCHKE** of **MOUNT JULIET Tennessee**, their true and lawful Attorney-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this **17th** day of **January**, **2019**.



State of Connecticut

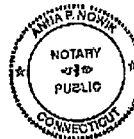
City of Hartford ss.

By: 
Robert L. Raney, Senior Vice President

On this the **17th** day of **January**, **2019**, before me personally appeared **Robert L. Raney**, who acknowledged himself to be the Senior Vice President of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of said Companies by himself as a duly authorized officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission expires the **30th** day of **June**, **2021**




Anna P. Nowik, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, **Kevin E. Hughes**, the undersigned, Assistant Secretary of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this 19th day of March, 2020




Kevin E. Hughes, Assistant Secretary

To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.
Please refer to the above-named Attorney-in-Fact and the details of the bond to which this Power of Attorney is attached.