



GLOBAL FINANCIAL, INC.

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FORT LAUDERDALE, FL 33301

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The True Loan™ Program

The True Loan™ is a **Bona Fide** stock loan program designed to offer shareholders, affiliates and non-affiliates, the ability to meet financial objectives with less risk and exposure while adhering to regulatory compliance. The unique difference between the True Loan™ and the industry's standard structure is that the True Loan™ transactions will allow shareholders to keep the stock in their own account, entirely in their own names.

Program:

Through the True Loan™ program, *shareholders* are able to:

- *access the liquidity of their securities without relinquishing ownership in any shape, form or fashion (Securities remain in the borrower's name, not street name),*
- *Securities remain in the shareholder's own account*
- *If shares are restricted, the stock remains in certificate form with legend intact*
- *avoid and/or defer tax consequences, and*
- *protect against market downturn risk,*
- *limit the personal liability associated with traditional loans,*
- *benefit from upside*

Criteria:

- *Securities must trade on the NYSE, NASDAQ or AMEX Exchanges,*
- *Price – securities must reflect a dollar amount of \$2.00 or greater (stocks priced less than \$2.00 will be considered on a case by case basis),*
- *Value Minimums – gross asset value must equate to \$1,000,000 or the net loan value must reflect approximately \$500,000,*
- *If Restricted, stock must have been held for at least six (6) months (freshly cut issues are considered under specific circumstances),*

****NOTE** Free-Trading and Aged Non-Affiliate Shareholders receive Non-Recourse Loans whereas Affiliate and restricted Non-Affiliate Shareholders are subject to Limited Recourse™ Loans.**

Terms:

Loan Programs are flexible boasting:

- *Non-Recourse, Limited Recourse™ and Full Recourse lending structures*
- *Terms between 1 and 7 years for individuals and 5 to 15 years for corporations*
- *Rates are fixed and generally range between 5% and Prime for Free Trading Stocks, 3% and 12% for restricted securities*
- *Re-Financing options at any time for most structures*
- *No Lock-ups for the majority of loan programs*
- *No Pre-payment penalties for the majority of loan structures*
- *CASH BACK incentives for early pre-payment*

Guarantee:

- *Stock CANNOT be shorted, sold, traded, used in hedging strategies, margined, re-pledged, loaned out, hypothecated.*
- *Agents are legally protected. Primarily from the possibility of being deemed to be soliciting the sale of securities without a license (common place for agents marketing the typical “free delivery” loan where there is no real knowledge of whether or not the lender is trading the stock)*
- *Borrowers are protected from every aspect of the Lender’s business risk*
- *Borrowers (particularly affiliates) are completely shielded from distribution violations.*

Additional Benefits:

- *Maintain direct control of voting rights (no one votes on your behalf other than you)*
- *Maintain and control the use of all dividends*

Basic True LoanTM Process

- 1) **Collect Data** – Once the prospective borrower is acclimated with the True LoanTM program, the lender will require the client to provide basic information in order to go to terms.
- 2) **Term Sheet** – within 72 hours of all required data being collected, the lender will deliver a Term Sheet (Good Faith Estimate) to the borrower. The Term Sheet is valid for three (3) business days.
- 3) **Compliance Check** – Upon borrower executing the term sheet, it is required of the borrower to open a “cost free” account with a program qualified broker dealer. Through this procedure (performed by a reputable B/D), all required compliance checks and due diligence regarding the legitimacy of the client is performed
- 4) **Fund Your Account** - borrower is required to move the assets to be pledged as collateral into their own (newly open) account with a program qualified broker dealer.
- 5) **Contract** – borrowers receive loan agreements within 72 hours of their account being funded.

****NOTE** Never at anytime during the course of the aforementioned process does a borrower loose control or possession of their pledged securities.**

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True Loan Request---preliminary information form

Stock Symbols:

Exchange:

Affiliate or control person?

Attach photo of both sides of stock certificates or .
copy of brokerage statement showing stock.

To: Global Financial, Inc.

Please make inquiry as to a loan/sale against/of the above - mentioned stock held by me.

Name:

Address:

Phone:

Fax:

Signature: