

WARRANTLESS MEZZANINE DEBT

Prudent Capital has obtained a new source of capital that is able to accommodate a warrantless mezzanine debt structure. For those qualifying businesses, we are pleased to now be able to offer a loan with the following terms:

2% origination fees

A 12-20% per annum current interest payment

A 3—6% per annum deferred interest payment at the maturity of the loan

Interest only for up to 2 years if desired and fully amortized over a 3 - 5 year period thereafter

Loan amounts between \$2 and \$10 million

To qualify for this loan, companies will be required to satisfy the following criteria:

Minimum of \$5 million of annual revenue

History of consistent profitability

Ratio of free cash flow to Prudent Capital's debt service of at least 3:1

Minimum of \$2.5 million of tangible net worth

c/o Prudent Management, LLC

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