



*Banana Exchange*

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**Funding MCA Providers:  
How it Works**

JANUARY 2020

# Overview

## Who We Are

Banana Group is comprised of:

- **Banana Exchange**, an MCA portfolio management system
- **Banana Funding Group**, a factoring company

## What We Do

- We offer MCA Providers a **funding program**, requiring **no financials or personal guarantees**
- We require 6+ months of business activity, < 10% default rate, and at least \$500K RTR on the books
- We advance against your existing RTR as **a factoring transaction, not a loan**. Basically, **Banana** re-factors your current RTR and provides capital to purchase more RTR

## How It Works

1. **Banana Exchange** connects to your platform and ACH provider to evaluate your current RTR
2. **Banana Exchange** approves some or all of your RTR for re-factoring
3. **Banana Funding Group** **advances up to 25%** capital against your approved RTR
4. **Banana Exchange** **monitors your RTR** for the duration of the advances

## ***YOUR DATA IS SAFE WITH US***

**Since we re-factor your RTR, we need to monitor your merchants.**

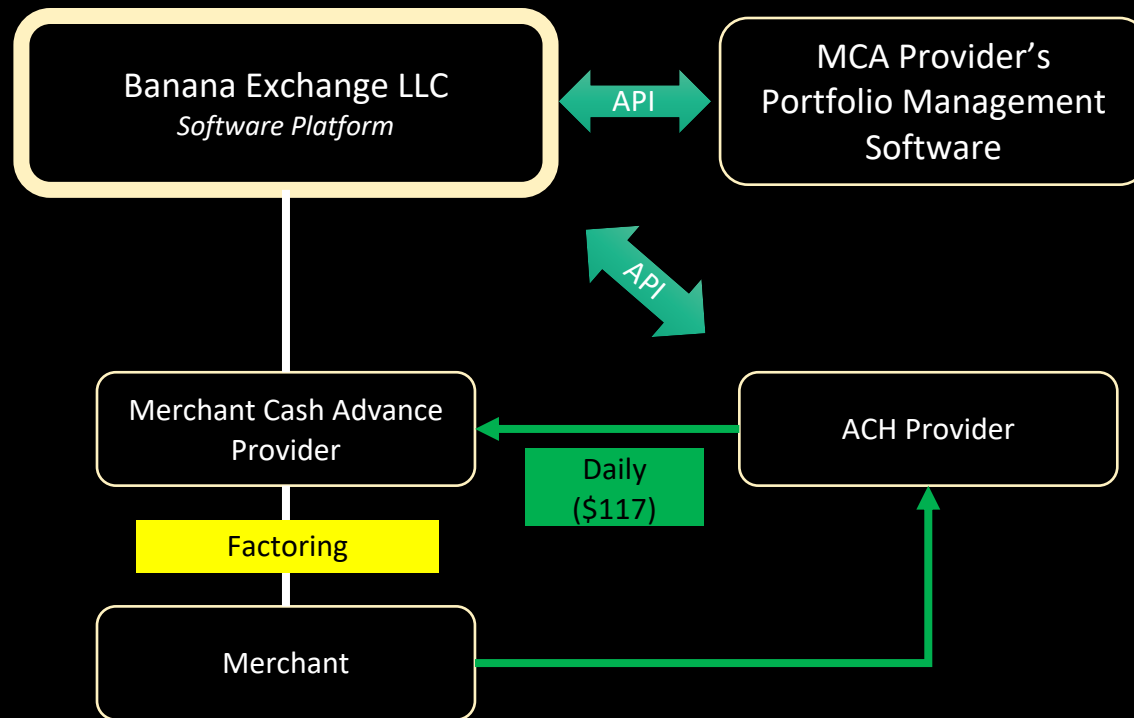
**We know how sensitive this is and take pride in our strong security and data protection measures to ensure your data's safety and privacy.**

**We also sign a mutual NDA agreement and make certain only a qualified operator and top management have access to your data.**

*“Your security is our pride”  
JoJo.*



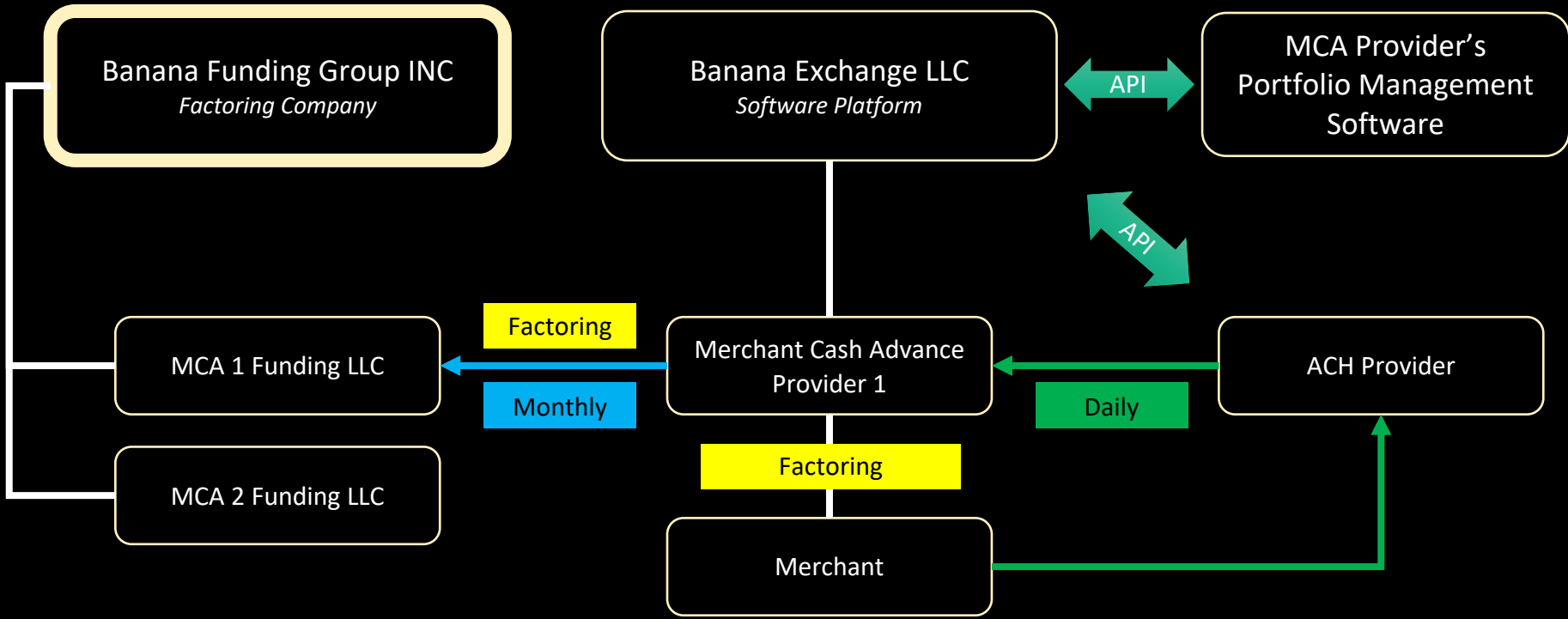
# HOW IT WORKS: STEP 1 - UNDERWRITING



## Banana Exchange Underwriting

- In a typical deal, you advance a merchant \$10K, receive \$14K RTR over 6 months, merchant repays via ACH \$14K/120 working days = \$117 / day
- We connect to your portfolio management software and your ACH provider. We confirm that deals are active and funds are being collected

# HOW IT WORKS: STEP 2 - FUNDING



**Typical Banana Funding Example**

- We purchase \$2M of your RTR (we re-factor the RTR)
- We advance you \$500K (25%) for 12 months
- We charge a fee of \$75K (15%)
- You repay us  $\$575,000 / 12 = \$47,916$  each month

# HOW IT WORKS: FUNDING EXAMPLE

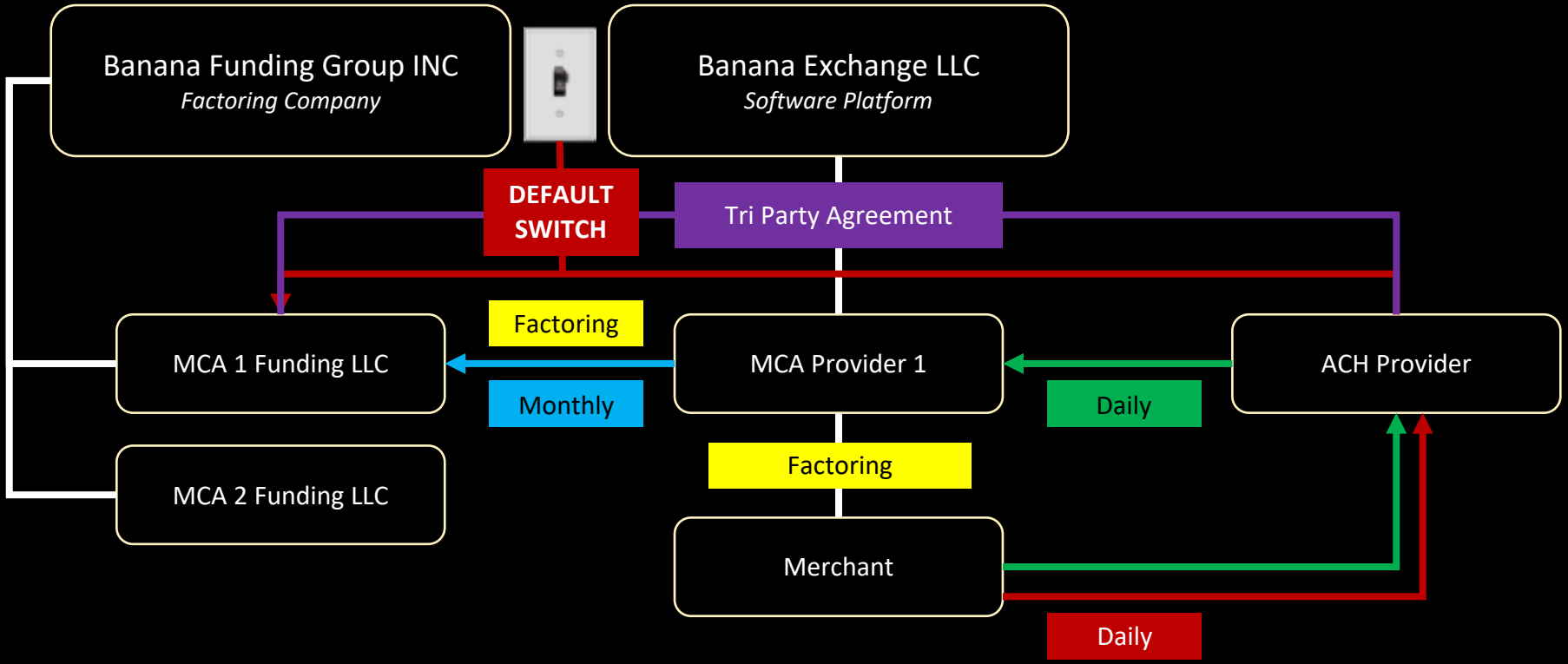
You owe Banana	\$ 575,000	(Advance + Fees)				
Your monthly repayment to Banana	\$ 47,917	(total / 12 months)				
Your monthly collection from merchants	\$ 300,000					
<b>Month</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Amount of RTR re-factored by Banana	\$ 2,000,000	\$ 1,700,000	\$ 1,400,000	\$ 1,100,000	\$ 800,000	\$ 500,000
Amount you owe Banana	\$ 575,000	\$ 527,083	\$ 479,166	\$ 431,249	\$ 383,332	\$ 335,415
Exposure %	29%	31%	34%	39%	48%	67%
Amount you collect from merchants	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Amount paid to Banana	\$ 47,917	\$ 47,917	\$ 47,917	\$ 47,917	\$ 47,917	\$ 47,917



**Default Event**

In this example, between month 5 & 6, exposure % rises above 50%, the default point. At this point, you are required to reduce the exposure % by selling us more RTR or reducing amount owed. Alternatively, we can activate the default “switch” (see next slide).

# HOW IT WORKS: THE DEFAULT SWITCH



- If you default on payments to Banana or your exposure % is above 50%, the default switch is activated (following a notice)
- Banana will then assume collections directly from merchants, until all due funds and fees are collected
- Banana, you and your ACH Provider sign a tri-party agreement, approving Banana Exchange to control ACH transfers should this scenario occur

# FUNDING PREREQUISITES: MCA PROVIDER



MCA provider must use or connect via API to the Banana Exchange LLC platform



MCA provider must have at least \$500,000 of eligible Right To Return (RTR) in their current portfolio from more than 25 merchants



Factoring agreements between MCA provider and its merchants must comply with industry standards



The MCA provider owners must be in business for over 12 months. The MCA provider company must be in business for at least 6 months and demonstrate a portfolio default ratio of less than 10%



The MCA provider and its ACH provider must agree that Banana Exchange control the daily merchant payment flow

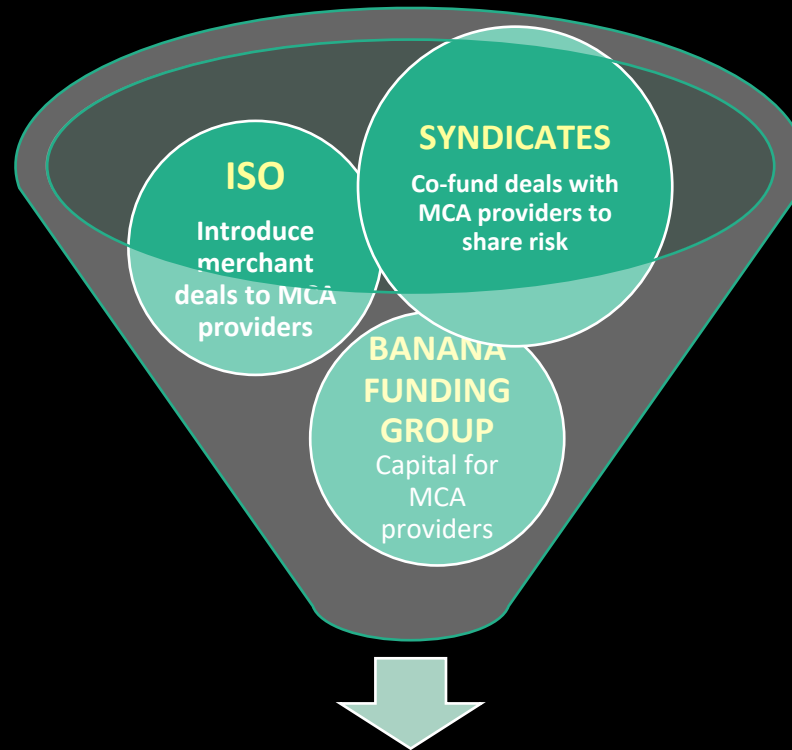


# FUNDING PREREQUISITES: RTR APPROVAL RULES

**Banana Exchange doesn't run background checks on your merchants, but will only purchase (re-factor) RTR that meets the following criteria**

1. Every \$1M RTR purchased must comprise of at least 40 merchants
2. No more than \$70K RTR will be purchased from a single merchant
3. Concentration of purchased merchants in any state will not exceed 25%
4. Concentration of purchased merchants in the Hospitality industry (other than restaurants) will not exceed 25%
5. No 2 merchants may have the same owner (only one of them will be purchased)
6. Purchased merchants may later be disqualified should they miss 5 consecutive payments to the MCA provider, and their RTR is automatically un-purchased
7. During any 30 days time frame, if 10% of merchants get disqualified, MCA provider goes into default and Banana Funding Group has the right to turn on the default switch and collect the remaining RTR

# THE VISION: ONE STOP SHOP FOR MCA PROVIDERS



MULTIPLE MCA PROVIDER NEEDS,  
ALL IN ONE PLACE



*BananaExchange*

# THE ON-BOARDING PROCESS

## Step 1 : Application

Sign and return our application form and mutual NDA. We need to know information about you and the merchants you work with. This agreement will ensure your data is safe and confidential as we move forward.

## Step 2: Underwriting

We require minimal underwriting information:

1. Blank copy of your standard funding Agreement with your merchants. We review them to make sure they comply with MCA standards.
2. Certificate of Good Standing from your State
3. Articles of Incorporation
4. A voided Check
5. Drivers licenses of the applicants (only owners)
6. 12 Months bank statements
7. 12 months ACH transaction runs
8. ACH provider's agreements with your MCA.
9. Your ACH provider's API key

# THE ON-BOARDING PROCESS

## Step 3 : RTR Purchasing and Funding

1. Fill out the “portfolio template” spreadsheet with the information on all merchants you would like to offer for purchasing
2. We assess the merchants and approve some / all for purchasing
3. We send you our agreements with the funding amount offered (depending on RTR amount purchased)
4. After agreements signed and initiation fees paid, **we will wire you the funds**

## Step 4: Post Funding

To be eligible for additional future rounds, as much as once every two weeks, we require a direct connection with your portfolio management system to help us track your RTR. We currently support Salesforce out of the box, and, If you work with other systems, we will work with you to create the necessary connection.

**APPLY TODAY AND ACCELERATE YOUR GROWTH!**



*BananaExchange*

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# Management Team with a Successful Track Record



**Eyal Levy,  
Founder and CEO**

## Platinum Funding Group LLC

Eyal Levy founded Platinum Funding Group in 1992. Platinum was a Factoring company in a niche market of distressed and undercapitalized firms. Platinum Funding Group was among the first ones to address this market and became the leader of its niche, with over \$250 Million in annual sales. Platinum had over 350 clients during the company’s 18-year history. Platinum financials were audited since inception, was profitable and never had any losses due to Mr. Levy’s specially designed batching system. Mr. Levy was instrumental in the development of factoring software that is currently being used by hundreds of factoring companies all over the US. The BE software has Mr. Levy’s batching system embedded in it.

## PlatinumArt LLC

Mr. Levy has founded PlatinumArt LLC during 2010 to capitalize on his vast expertise in financing coupled with his passion for art. Mr. Levy has created the first art factoring concept in the US and was a key speaker on the subject in the major auction houses, the NYC bar association art committee and many others.

Since the financial market crisis in 2008 art finance companies were under tremendous pressure to replace their bank financing in order to continue operations. Art dealers worldwide were losing opportunities because of lack of financing. The creation of PlatinumArt was a natural path for Mr. Levy. PlatinumArt structure was designed and uniquely positioned to take advantage of these new market conditions given its global factoring experience. Financing of high-end art with just the art as collateral with no personal guarantees and fast turnaround. Mr. Levy’s wife Ms. Bella Levy currently manages PlatinumArt.

## Background

Mr. Levy started his career in Elisra an Israeli defense contractor. Stationed in NYC working 7 years for Elisra he was marketing sensitive electronic products, to the CIA, FBI, US Air Force NASA and US Special Forces. Mr. Levy holds a B.Sc. in Electrical Engineering from Fairleigh Dickinson University in New Jersey and he attended the business program at Bar Ilan University in Israel. Currently Mr. Levy is a mentor in the Harvard Business School Entrepreneurship Program.

