

Providing working capital for business



The ultimate professional franchise
Providing working capital for business
since 1972

Special Areas of Interest

**Buying an IFG Franchise
Timeline & Checklist of
things to do to become part
of the Interface Team**
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The IFG Transaction
A simple buy-sell process,
easy for our clients,
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What Others Say
Read some comments about
Interface from franchisees
& clients
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Private & Confidential
This document is designed to
answer all of your immediate
questions concerning the
exceptional Interface franchise
opportunity. When you have
reviewed this document we
invite you to contact us at
ifg@interfacefinancial.com

**For Informational Purposes
Only - this document does not
replace the 'disclosure'
documentation (FDD or
equivalent) that is issued by
Interface where required by
law.**

**This document does not make
any representations or
represent in any way an
earnings claim regarding the
Interface franchise.**



Interface is the leading alternative funding source for small business!

“IFG is uniquely positioned to take advantage of today’s rapidly changing economic and financial needs. The consequence of past and current lending standards plays right into IFG’s hands.”

*The Franchise Research Institute has certified Interface as a
World-Class Franchise® for the past 6 years*

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How to use this Overview Document

The Interface Financial Group Confidential International Overview is designed to give you a rapid but thorough look at The Interface Financial Group.

It is written to show you who we are, what we do, and how we do it.

It is designed for persons seeking to learn more about the Interface opportunity. With this in mind, we would point out that some of the language, and certainly some of the spelling, may not be exactly what you are used to. Please accept that this document is created for an international audience inasmuch as Interface is a growing, International organization.

For best results, we strongly suggest that you print a hard copy of the document in order that you can highlight and mark up sections for subsequent discussion. Once you have digested this material, we invite you to call us for the next step in the discovery process.

A few words from the President

The global economy is certainly not at its strongest point and is suffering quite badly at the present time - all indications are that the suffering will continue for perhaps the next 2 to 3 years.

Press reports indicate that not only is the cost of borrowing becoming an increasing burden, more importantly, the supply of credit has become extremely restrictive. Reports indicate that one of the areas that have been hit badly is the small business financing sector. Cutbacks in this area have meant that many small businesses which were, at one time, perhaps able to obtain a small line of credit prior to the crisis are now totally excluded from the credit marketplace.

This forces thousands of formally bankable businesses into the secondary finance market in order to find appropriate funding for their growth needs. This action has proven to be an extremely positive factor for The Interface Financial Group, as we are one of the very few options for small business to obtain cost-effective and time-effective growth funding.

While many people might consider that these are not good times in which to start a business, it is quite clear that Interface franchisees, working in the small business invoice discounting arena, are enjoying record growth opportunities which, of course, translate into record income opportunities.

Consider the side effects . . .

The main reason companies use the Interface service is to facilitate their growth plans. Virtually all Interface clients are expanding their business and utilizing the accelerated cash flow that Interface provides as the means for that expansion.

This means that our franchisees are, in fact, facilitating that expansion by providing the working capital necessary to grow the client business. In feedback from IFG franchisees, many of them have commented on this particular point as a real satisfaction area for them.

They particularly like the feeling that they have been instrumental in helping their clients grow, and, in many cases, enabling their clients to increase their labor force, add new jobs, and increase their profitability. Naturally, when a new job is created it increases the overall tax base for the city, the state, and the country as a whole. Interface franchisees indicate a high “job satisfaction” in this aspect of the franchise.

IFG franchisees also comment on the fact that due to the time requirement to run their franchise they have more time for family life and opportunities to participate in community activities and services. They find that the Interface franchise also gives them the opportunity to volunteer in areas where, previously, they just did not have the time to become involved.

All things considered, we think you’ll find Interface a rare opportunity.

*David T. Banfield,
President, The Interface Financial Group*

1. Executive Summary

The Interface Financial Group franchisees buy assets. ***They never lend money.*** The asset they buy is an accounts receivable that is evidenced by an invoice. The IFG franchisee buys this at a discount from the face value and holds it until maturity, usually about 40 days. At the end of the credit period they receive payment of 100% of the face value and, therefore, the discount taken as income, which is their gross profit in the transaction.

The Interface Mission Statement has four key components that succinctly spell out our reason for being in business:

- i. Speed up cash flow for businesses through a proven operating system;
- ii. Build powerful business opportunities for our franchisees;
- iii. Create a sound sense of community; and
- iv. Offer a support system that enhances franchisee growth throughout our entire organization.

Can you become an invoice discounter without Interface? Certainly, but would you? Interface delivers everything you need to be in business tomorrow. You will be able to open your office for business with the knowledge that you are, on day one, part of a proven and experienced organization since 1972.

This credibility statement is certainly not lost on our business referral partners. Banks, accountants, and the like prefer to deal with ‘established’ entities. Interface provides that status immediately.

What’s in a name?

The Interface Financial group has for many years provided a service called Invoice Discounting. Our clients wish to accelerate their cash flow, so they sell their invoice/s to Interface at a small discount. That’s the transaction – hence the name, ‘invoice discounting’.

Invoice discounting is also synonymous with a service known as ‘Spot Factoring’. In this service the ‘factor’ buys just a single invoice, or batch of invoices, as opposed to conventional factoring where all invoices are pledged to the factor on an ongoing basis. Please see a later section of this document that discusses factoring in more detail.

In the United Kingdom, a service has evolved over the years that is widely used under the name of ‘invoice discounting’. In essence, the service provided in the UK (and in Australia) under this name is basically a non-notification form of factoring. The client pledges all of their invoices to the factor/invoice discounter in exchange for a revolving line of credit geared to the value of the accounts receivable collateral. The customer is unaware of this arrangement and makes payment to a designated lock-box under the control of the factor/invoice discounter.

In order to clearly delineate the Interface service internationally, we often use the term Spot Factoring. In this Overview document you will see many references to invoice discounting – please interpret them as a ‘spot factoring’ transaction.

2. Who's Who

It may be helpful to review some of the terms, names, and phraseology found in this Overview before you start.

Interface Financial Corp. – A US Corporation and the Franchisor of US operations and franchise operations outside North America, located in Bethesda, Maryland.

The Interface Group Ltd. – A Canadian corporation and the Franchisor of Canadian operations, located in Markham, Ontario, Canada.

The Interface Financial Group – The registered trade name of the franchise. All franchisees do business under this name. Both the name and the logo are registered and, therefore, protected by law in all countries where Interface operates.

IFG Network LLC – A sister company of Interface Financial Corp. They provide funding and syndication facilities to Interface franchisees when franchisees do not want to fund a transaction entirely by themselves or lack the full resources for the funding.

The Client – The company that sells an invoice to Interface.

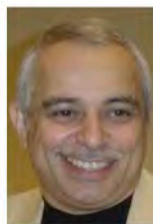
The Customer – The company that buys the Client's product or service and pays the invoice – also sometimes referred to as the 'Debtor' in the Interface transaction

Franchisee – You!

It may also be helpful to you to know who comprises the Interface management team.



John Sheehy



George Shapiro



David Banfield



Sabeen Ahmed



Jan Cunningham



Tony Tinaglia



David Hechter



Hitesh Jethwa



Chris Reid



Paul Teahan



Bruce Williams



Paul Barnsley



David Pearce



Ian Christelow



Jackie Reeve

The Interface Management Team

John Sheehy – Founder

Mr. Sheehy founded The Interface Financial Group in 1972, served as its President until 1991, and was the Chairman of the Board until 2007. Most importantly, Mr. Sheehy perfected the Invoice Discounting system and procedures that form the backbone of the Interface franchise organization. Prior to founding Interface, Mr. Sheehy was Vice President of Peabody Engineering in Stamford, Connecticut (1955 to 1971), and President of Peabody Engineering Corp. of Canada (1960 to 1971).

George Shapiro – Chairman, Interface Financial Corp. & Chief Executive Officer, IFG Network LLC

Mr. Shapiro was elected Chairman of the Interface organization in May 2007. He is an accomplished international executive with more than 20 years business-building experience in emerging markets. After serving for more than 6 years as CEO of CBSF Capital Management LLC, and then leading the company to a successful merger in 2000, Mr. Shapiro subsequently became the Chairman of the Board of Managers where he served until 2006. He is currently a member of the Board of Directors of Testknowledge LLC, and a director of several other companies. Mr. Shapiro has been associated with The Interface Financial Group since 2002.

David Banfield – President, Interface Financial Corp.

Mr. Banfield was named President of Interface Financial Corp. in 1991, and has played a significant part in the successful development and growth of the Interface organization. He received his professional credentials in banking and credit management in the United Kingdom, where he held positions in both the banking and factoring industries. Prior to joining IFG, Mr. Banfield held senior management positions in a number of banking organizations. Most recently, he was Vice President of Walter E. Heller Financial Corp., a world leader in commercial finance and factoring.

Sabeen Ahmed – Chief Operating Officer, IFG Network LLC

Ms. Ahmed was approved Chief Operating Office of IFG Network in in 2011, after serving as the Vice President of Credit and Underwriting for IFG Network. Prior to joining IFG Network in 2008, Ms. Ahmed worked as a Senior Underwriter for Scotia Bank in Toronto, and Financial Advisor to the largest Credit Unit in Canada.

Jan Cunningham – Vice President, Interface Financial Corp. & IFG Network LLC

Mr. Cunningham was appointed Vice President in May 2006, with specific responsibilities for franchisee marketing activities, franchisee training programs, and strategic alliance growth. He has owned an Interface franchise since 2003. Prior to joining Interface, Mr. Cunningham was the Operations & Delivery Manager for CIBER Corporation, a Business Consultant for DMR Consulting Group, and Senior Project Manager for five states for EMC Corporation.

Tony Tinaglia – Vice President, Interface Financial Corp.

Mr. Tinaglia has been a franchisee since 2005 and was appointed Vice President in 2012 with responsibility for franchisee field training and franchise development. Prior to joining Interface he spent 29 years with Omron Electronics rising from Area Supervisor to Division Vice President.

David Hechter – Chief Operating Officer, IFG Network Australia; & Area Developer, Interface Financial Corp.

Mr. Hechter joined Interface as an Area Developer for New South Wales and the Australian Capital Territory, and was appointed COO of IFG Network Australia in 2009. Prior to joining Interface he spent 8 years in various senior roles in Australia for leading organizations in banking and asset management, including General Manager - Loan Servicing for the Corporate Trust division of Perpetual Ltd., an Australian Securities Exchange ASX-200 company, and St. George Banking Group where he had responsibility for the bank's investments in key strategic partnerships. Mr. Hechter began his career with the Investment Banking Group of Merrill Lynch & Co. He was born in Chicago and holds both Australian and U.S. citizenship.

Hitesh Jethwa – Area Developer, Interface Financial Corp. Australia

Mr. Jethwa has been a franchisee and Area Developer for Western Australia since 2009. In the 1980s in his native Kenya, Mr. Jethwa and his partners owned and operated the Victoria Commercial Bank. His areas of responsibilities at the bank included treasury, marketing, and finance. In the mid-90s Mr. Jethwa founded Stirling Developers, a property development firm involved in housing development and syndicated client investments. In 2000 he relocated to Australia, purchasing a wholesale distribution company involved in importation and distribution of food and household products.

Chris Reid – Area Developer, Interface Financial Corp. New Zealand

Mr. Reid became the Area Developer for New Zealand in 2004. Originally from the United Kingdom, Mr. Reid graduated as a lawyer in New Zealand. His corporate career of 18 years was in the transportation industry in London, New York, and Sydney. Mr. Reid owned and managed a franchise sports retail group in Auckland for 6 years and he shares ownership in a small airfreight forwarder in New Zealand.

Paul Teahan – Area Developer, Interface Financial Corp. Republic of Ireland & Northern Ireland

Mr. Teahan became an Area Developer in 2010. Prior to joining Interface, Mr. Teahan owned an engineering and logistics company operating in the technology marketplace in Ireland and the UK employing 50+ staff. After selling his company, Mr. Teahan became a franchise consultant with MatchPoint Network UK.

Bruce Williams – Director of Sales & Marketing, Interface Financial Corp. United Kingdom

Mr. Williams has been a franchisee since 2011 and became a Director of IFG Network UK Limited in 2012. Prior to joining Interface Mr. Williams was an independent consultant and interim manager working on turnaround and change projects across the UK. He has a 12-year career in the wholesale financial markets in London and was also the founding partner of a boutique brokerage firm. Prior to that, Mr. Williams spent 5 years in Hong Kong, the Philippines and Thailand working with a company that helped protect intellectual property for companies such as Walt Disney, Levi's and Rolex. He started his career with the Dutch electronics multinational Phillips as a trainee chartered accountant.

Paul Barnsley – Chief Operating Officer, IFG Network UK Limited

Mr. Barnsley was appointed COO of IFG Network UK Limited in 2010. Mr. Barnsley has 25 years' experience in banking and finance, starting with Midland Bank, moving on to the asset finance division of Great Universal stores. In 1994, he was the first sales executive employed by Premium Credit Ltd., a specialist funder of insurance premiums. In 2006 Mr. Barnsley started his own business, Strategic Funding Limited, a commercial finance brokering business providing assistance to clients looking for commercial mortgages, factoring, and asset finance facilities.

David Pearce – Director, IFG Network UK Limited & Area Developer, Interface Financial Corp. United Kingdom

Prior to joining Interface in 2010, the majority of Mr. Pearce's career has been in financial services. He formed the first Financial Services Division of a PLC Housebuilder, which he ran for 7 years as Managing Director. He was also Sales Director for a national mortgage broker franchise. In 2008, Mr. Pearce became one of the founding franchise consultants with MatchPoint Network UK.

Ian Christelow – Area Developer, Interface Financial Corp. United Kingdom

Prior to joining Interface in 2010, Mr. Christelow spent 8 years as a Master Licensee for ActionCoach, and 4 years as a Business Manager for Direct English. His previous experience includes the Pearson Group where he helped set up their first venture into international franchising.

Jackie Reeve – Area Developer, Interface Financial Corp. United Kingdom

Ms. Reeve became Interface's first Area Developer in the UK in 2010. Prior to joining Interface, Ms. Reeve was in banking and finance for 20+ years. She started in branch banking, progressed into training, and finally in senior management in electronic banking and international cash management. Ms. Reeve then became a business consultant in the further education sector, and a franchise consultant with MatchPoint Network UK.

3. Why a Franchise?

A franchise provides you with a proven business model and a complete system of doing business, as well as superior training, ongoing consistent support, and assistance through a central source.



Franchising is here to stay. The franchise marketplace is vast. In the U.S. alone a new franchise unit opens every 8 minutes of every working day in one of the 75 different industries that are growing through franchising. The sector's growth over recent years has been excellent. Franchised businesses create jobs and contribute significant revenue to the economy. The U.S. is not alone in this growth situation; worldwide franchising continues to grow at a rate higher than non-franchise businesses.

Everyone comes into contact with a franchise entity virtually every day of the week:

- We buy gas/petrol from franchised gas/petrol stations
- We eat in franchised restaurants
- We buy houses from franchised real estate agents
- We buy a vast range of goods and products from franchised retail merchants
- We buy financial advice from franchised financial advisors
- We buy automobiles from franchised auto dealerships . . . And the list goes on.

The Interface Financial Group is a franchise that has been providing business-to-business financial services since 1972.

4. The Marketplace

The Invoice Discounting marketplace is part of the factoring financial services family. The market continues to grow at a healthy rate, especially at the low end of the sales-volume scale.



This is the Interface niche market area. Interface has always enjoyed great success working with smaller emerging companies. The client profile indicates that these companies have sales in the range of \$350,000 up to about \$4 million per annum in the U.S., Canada, Australia, New Zealand, and Singapore; €250,000 up to about €3 million per annum in the Republic of Ireland; and £250,000 up to about £3 million per annum in the United Kingdom. Some of these companies have been in business for as little as 5 or 6 months, but usually not much more than 3 to 4 years.

Factoring and Invoice Discounting are mature financial services in all of the countries in which Interface operates, and on a worldwide basis. According to the World Factoring Yearbook 2010 (published by BCR Publishing of Bromley, Kent, England), there were over 70 countries reporting a domestic and export factoring industry.

The country with the highest volume of transactions is the United Kingdom, followed by Italy, France, and the United States. In North America in 2009, a total of \$130,437,000,000 in invoices was factored/discounted.

The volume of factored/discounted receivables has been growing at a substantial rate. In the last decade, the world volume has more than doubled and the trend indicates continued growth.

The Australian market follows the world trend with continued expansion. In the past 4 years volumes have more than doubled both in terms of dollars funded and in terms of clients using the service. To some extent the Australian market is still in the early stages of development and we anticipate a considerable upside in the next few years in terms of acceptability of the services in the small- and medium-sized business markets.



Factoring and Invoice Discounting are well known financial services in New Zealand. In 2009 the volume of activity was over \$640 million. Compared with major overseas markets the process is relatively new in New Zealand. This is good – the opportunity to be part of the market growth is a positive business indicator.



The statistics compiled by the Asset Based Finance Association, from their members in the United Kingdom, show that in the last 4 years there has been good U.K. growth. In 1997 the volume reported was £173,249,000,000, and that volume increased to £191,330,000,000 in 2009.



The volume of factored/discounted receivables has been growing at a substantial rate. In the last decade, the world volume has more than doubled and the trend indicates continued growth.

As world volumes continue to expand, so does the Interface international network. Interface – with active operations in the United States, Canada, Australia, New Zealand, the Republic of Ireland, Singapore, and the United Kingdom – has recorded growth, year after year, in all operating countries.



5. Interest Rates

Interface franchisees enjoy a constant flow of business regardless of the variations of the regional, national, or even global economy.

In times of a *down economy* the established lenders often tighten their loan approval process, thus driving more business to Interface.

In an *up economy* we see more new startups with entrepreneurs starting ventures, and these newer startups will find it difficult, if not impossible, to find conventional funding.

So, once again, there is a good market for the Interface service.



6. The Competition

If you go online and look for Factors or Factoring in your area, you may see a long list of names. This is good. It clearly indicates that in your area there is market demand for this type of service. **It also means that Interface has a ready-made pipeline of referral sources.** Established factoring companies constantly receive inquiries that don't fit their niche or client profile.

Prospects rejected by factors probably fit the Interface niche due to their smaller size or the nature of their business. We, therefore, *gain referrals for little or no marketing effort or expense.*

Is there anyone doing exactly what Interface does? We don't believe so, and certainly not in a franchise format with more than 40 years of in-depth industry experience.

When you google or check your local Business Directory listings, note how many participants are actually *local* companies. Many may be from other jurisdictions, and the presence of a toll-free number and no street address will give you a clue in this regard.

Interface prides itself on the fact that our business is *local*. Franchisees serve their immediate geographic area so that they can respond to the needs of their clients in a timely, professional and, more importantly, personal basis.



As we tell our referral partners, **Interface is a local business doing business locally**. All decision making, evaluation and due diligence, and funding are done locally. Franchisees *get on with the business*; they don't have to send their files and applications to a regional or national office for approval. Interface franchisees are decision-making entrepreneurs in their own communities.

Interface does business 'face-to face'!

7. Interface History

Interface, like the financial services industry of which it is a part, is a very mature player. Having been in business since 1972, Interface is clearly the market leader in Invoice Discounting – with hands-on experience and a growing network of offices in the United States, Canada, Australia, New Zealand, the Republic of Ireland, Singapore, and the United Kingdom. For the first 20 years of its operations (before franchising), Interface acted as an Invoice Discounter. This activity has resulted in a very solid knowledge base from which Interface franchisees can draw support. Senior management of Interface have “been there and done that” – their experience now translates into your franchise success story.

What do others say about the franchise?

Entrepreneur magazine, an acknowledged U.S. leader in franchise information, rates franchises on an annual basis. Interface is consistently ranked in *Entrepreneur* magazine's **Franchise 500®**, in their **Top 100 Homebased Franchises**, and their **America's Top Global Franchise** listing.

The Franchise Research Institute, the pre-eminent organization that conducts independent surveys of franchise owners, has awarded Interface with its **World-Class Franchise®** certification.

Although fairly new to the U.K. market, Interface has already received a Best Money Brand award.

8. Is it Factoring?

This is our number one question. When we talk about invoice discounting, everyone says, “*Oh, you mean factoring,*” or “*Isn't invoice discounting just another name for factoring?*” We don't think so!

Let's take a minute to look at the two services, both of which can form an integral part of financing the business growth cycle.

In a **factoring relationship**, the client company – this is the user of the service – basically pledges all of their accounts receivable to the factor in exchange for a **loan**. By its nature it is a revolving loan because it is based on the amount of the accounts receivable outstanding at any given time. In addition to lending money, the factor also takes on all the accounts receivable and handles the back-office administration. This consists of all credit investigation, and sometimes credit underwriting, bookkeeping, including such things as cash application, preparing and dispatching monthly statements, providing ledgers for the client, and finally in the process the factor does all of the collection work for delinquent accounts. It is the factor that makes the collection call to their client's customer.



A factor is usually compensated in two ways. The client first must pay for the loan facility, usually on a price + basis, and secondly the client pays for all of the administration handled by the factor with a charge known as the *commission charge*. This charge is a percentage of total sales, maybe in the range of 2 or 3 percent of gross sales.

Furthermore, factoring contractual arrangements normally compel the client to put all of their sales through the factoring system. Such factoring contracts are often for one, two, or more years, and may contain other restrictive clauses.

- **IFG Invoice Discounting is a much more streamlined service** and represents a simple, single transaction of buying [for cash, at a discount] a single invoice or group of invoices.
- **Interface doesn't engage in lending.** We don't get involved in extensive administration other than for the few invoices that we actually purchase.
- **Interface offers a service that a client can use when needed.** There is no contractual arrangement compelling a client to put all of their sales through the Interface system for any specific time period, let alone one, two, or more years.
- **Interface allows a pick and choose use-it-when-they-need-it facility** – a much needed and less restrictive facility that has particular appeal for smaller companies.

Factoring is a valuable service, with a long and successful history, and has helped many thousands of businesses reach their true potential.

It is all a matter of choice. For potential clients that need some of the ancillary services associated with factoring, then clearly that service is the answer. For companies that perhaps have lesser requirements and need a less structured service, then the Interface invoice discounting service may be the vehicle of choice.

As a mature organization we see ourselves as dedicated and focused on delivering what we do and what we know, and delivering that service in a superior format. Having made that statement based on over 40 years of invoice discounting service, we realize that from time to time some Interface clients will need to graduate from our standard service to a more involved full service factoring arrangement.

In order that we do not lose that valuable client relationship at graduation time, we and our strategic partner, have crafted a 'private label' factoring service that enables Interface clients the opportunity to transition from invoice discounting to factoring – all under the Interface umbrella.

This innovative approach enables franchisees to continue to earn substantial fee income while freeing up capital and maintaining the client relationship.

9. The Ideal Interface Franchise Candidate

Naturally, there is no such thing as a universal description of an Interface franchisee. There are, however, several significant characteristics that all IFG franchisees have. These are the characteristics that we feel are very important in a franchisee's makeup because they contribute to the long-term success of the franchisee's business.

First, we always look for individuals who have **excellent communication skills** – both verbal and written. Interface franchisees are charged with the task of communicating with professionals such as bankers and accountants on the one hand, and with small business owners/entrepreneurs on the other.

Interface clients, small business owners, are by nature very entrepreneurial individuals who are striving to get their business venture up and running as quickly as possible. Because the business is in its early development stage, the owner is probably handling numerous responsibilities within the organization. Franchisees need to be able to effectively communicate with these individuals in order to obtain the required information and also to work with them on an ongoing basis. *Franchisees need to bring their communication skills to the table.* We cannot train individuals to be communicators at this stage of their career.



Second, we look for individuals who are **decision makers**. Franchisees gather and analyze the information, confer with Head Office, and then make a decision to move forward or not. Our process is designed to be handled quickly, efficiently, and in a professional manner.



Third, we seek to work with franchisees who are **entrepreneurial in their outlook**. We look for people who have a vision for themselves and their Interface business.

Do you need to understand the numbers? Indeed it helps to have some *number crunching* ability, but it certainly is **not imperative** because our detailed system will easily walk you through the process and procedures. Our personalized training program will also ensure that you have a comfort level with the entire Interface system.



Part of what we bring to the table is a comprehensive transaction tracking system that takes care of all of the monthly chores in terms of creating your income and expense statements and your monthly balance sheets.

Is a business background an asset? Yes it certainly is. That background, however, may have come from many different areas. We have franchisees who have owned businesses in the past; may own other businesses now; have been senior executives in industry and commerce; worked in the medical profession, or were accounting or legal professionals. The background list is very extensive.

Remember though, our **number one concern is a solid business background with the ability to communicate effectively**.

The Interface franchise is not a *gender*-dominated business. There are many female franchisees, and everyone does business on a level playing field. Similarly, we have franchisees of various ethnic backgrounds.

Franchisee selection and the final award process are based on the overriding qualities of business background, communication skills, decision-making, and entrepreneurial spirit.

10. Interface Franchisee Backgrounds

As we have stated, there is no single description that applies to all the Interface franchisees. Similarly there is not one single background or profession that typifies an Interface franchisee.

Interface franchisees come from diverse backgrounds. Some continue to operate in a business or profession in addition to running their Interface franchise. Others have chosen *semi-retirement and golf* as the framework for their franchise setting.



The following is a partial list of Interface franchisee backgrounds:

- Small Business Owner
- Finance Co. Executive
- Physicist
- Oil & Gas Consultant
- Franchise Consultant
- Medical Devices Sales
- Business Broker
- Bond Trader
- VP Banking
- Software Designer
- Financial Analyst
- Business Consultant
- IT Analyst
- Teacher
- Real Estate Developer
- Insurance Executive
- VP Engineering
- Restaurant Owner
- Telecom Executive
- VP Healthcare
- Chemist
- IT Project Manager
- Marketing Manager
- CEO Packaging Firm
- Retail Store Owner
- CPA
- Sales Manager
- Military Officer

11. The Interface Franchise Award Process

The award process for an Interface franchise is not a time-consuming or even complex exercise. We provide you with all of the appropriate disclosure information for your review. That material contains, among other things, a copy of the franchise agreement to evaluate, together with details of our franchise locations.

We believe that talking with existing franchisees is a crucial part of a prospective franchisee’s decision-making process, and we will be pleased to discuss arranging that for you. However, if you would like to get started on that project today please refer to Section 38 for more details and some contact points. Remember your main task in talking to Interface franchisees is to ascertain an answer to one of your ‘unknowns’, i.e. What type of support can you expect from the franchisor? What is the integrity level of the franchisor? And questions of a similar nature.



Remember that not all franchisees will be active in the Interface business all of the time, and some may be difficult to reach due to various circumstances. Therefore, it is always advisable to check with us for some specific direction/information before you embark on this part of your due diligence. *Approach it with patience – we have many golfers on the Interface Team!*

12. The Interface Franchise Award Process – Your Time Line

The following due diligence chart is typical of how decision-makers approach the process of becoming part of the Interface team:

Day	What’s Happening	Completed
1	Your first contact with Interface. This might be via our website or by telephone through an introduction or referral	✓
2	If you came to us via our website or a referral source you already have some background information. You will now get our comprehensive Interface Overview document (this document in fact). We ask that you review this document carefully. We believe it will answer the majority of your immediate questions. After your review, please call us in order to address your unanswered questions.	
3	You are encouraged to complete some local research to ascertain the viability of an Interface franchise in your locale. You submit the completed Personal Data Questionnaire (see last page of this document), and have a further discussion by telephone with Interface to clarify questions and review your background. If, after this discussion, both parties feel it is appropriate to move to the next step, we will send you a copy of the Interface disclosure documentation.	
4-7	You carefully review the disclosure documentation, complete any necessary local research, and formulate an additional list of questions.	
8-10	A further discussion with Interface will answer those questions and review your suitability as an Interface franchisee. If both parties agree you should move to the next stage, you will be invited to speak to existing IFG franchisees.	
11-21	You review all the material and make contact with IFG franchisees and support personnel if you haven’t already made some calls.	
22	You review the feedback from your calls with Interface (management and franchisees).	
23-25	You review all of your accumulated information to enable you to make a decision to move forward and become an IFG franchisee; and communicate your decision to Interface.	
26-29	Both you and Interface agree to move forward. A franchise is awarded. Interface will prepare and dispatch a definitive franchise agreement for your signature.	
30	You sign the agreement and become an IFG franchisee!	

13. What You Get With An Interface Franchise

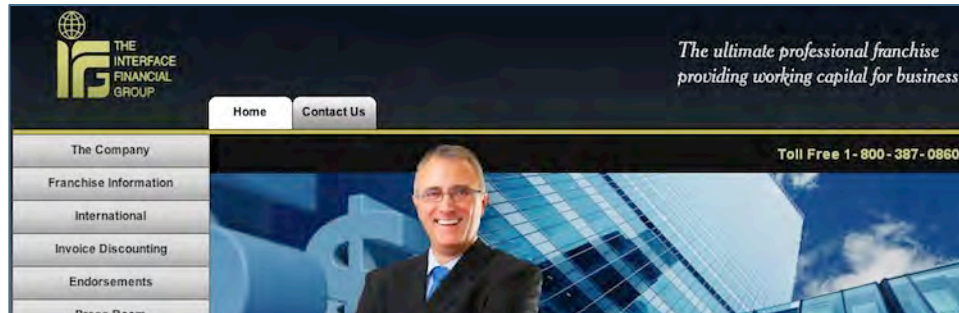
Your franchise fee covers items such as:

1	Use of the multi-volume Interface Operations Manual
2	Use of the registered name <i>The Interface Financial Group</i>
3	Use of the registered Interface logo and trademarks
4	All day-to-day operating forms needed to run your franchise
5	All legal documentation needed to conduct your invoice discounting business duly customized to your location.
6	An initial supply of business cards, letterhead, envelopes, and marketing brochures
7	Manual and documentation updates as appropriate
8	Regular editions of <i>Team Intelligence</i> , the newsletter specifically for IFG franchisees
9	Training materials, work books, etc.
10	IFG Training program: the cost of Formal Training (Module 2) other than travel, meals, and lodging is carried by Interface
11	IFG Field Training (Module 3): we visit every franchisee at their location to help launch their franchise and conduct practical on-site marketing – the costs of all travel, lodging, meals, and materials are at the expense of Interface
12	Access to the IFG Network Transaction Tracking System (see “ <i>Transaction Tracking System</i> ” on the following page for more information)
13	Promotion: IFG prepares and places a ‘press release’ style announcement in a suitable local publication to promote your Interface invoice discounting business
14	Marketing Material: Flyers and brochures to validate your business
15	Ongoing help and advice on marketing and promotional aspects of your franchise on an as-needed/as-requested basis
16	One-on-one coaching program to help franchisees get established and develop an IFG routine
17	IFG written program detailing your franchise growth program on a step-by-step basis
18	Access to no cost capital for funding syndications
19	No cost renewal. After the initial 10-year term of the agreement it may be renewed for further 5 year periods at no expense to the franchisee

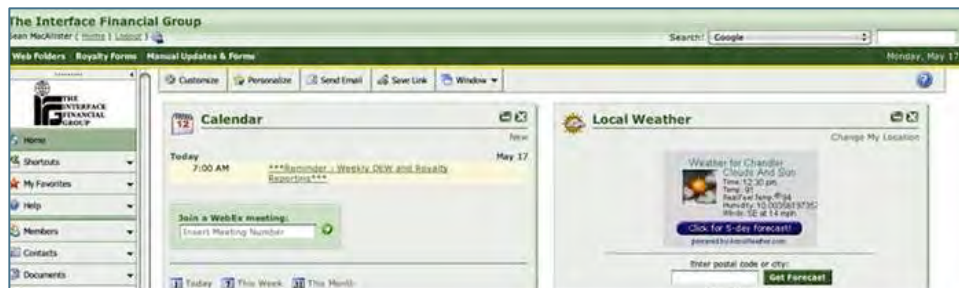
Franchisees pay a monthly maintenance fee in addition to their regular ‘volume’ driven royalty fee.

What do you get for your monthly maintenance fee?

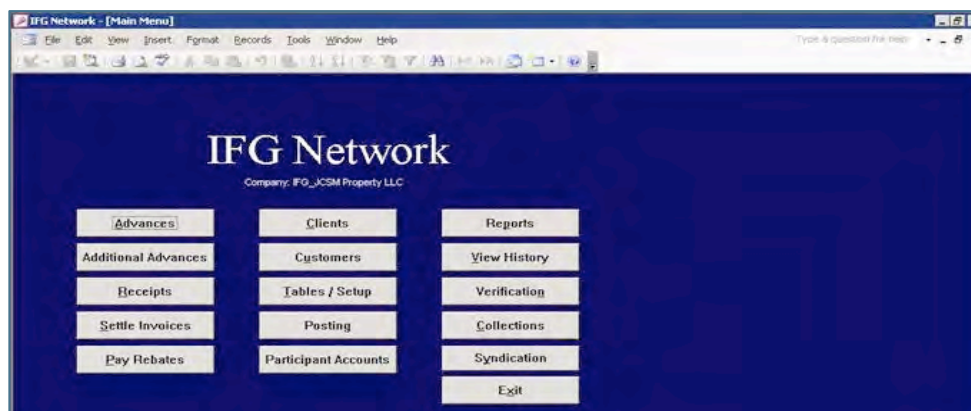
- **Website:** Each franchisee is provided with their own website and web address. This serves to promote the franchisee’s business and acts as a mechanism for prospective clients to submit an on-line application direct to the franchisee.



- **Email:** All franchisees receive a specific “Interfacefinancial.com” email address.
- **Intranet:** IFG has built a sophisticated Internet facility for the exclusive use of franchisees. This password-protected site allows franchisees access to updates for forms and manual material, client database information, a contact management database, access to marketing and promotional material, and more.



- **Transaction Tracking System:** An extremely comprehensive tracking and management software program has been developed to enable all transactions to be documented and recorded in a uniform manner. This system is available to all franchisees, and full training and support are provided. The system, known as IFG Network Transaction Processing System (NTPS), has been designed with an export function to QuickBooks™ to make all record keeping very simple.



14. Home-Based or Professional Office?

The Interface franchise is designed as a home-based business concept. A home-based office is usually more economical than renting office space. We do not, however, mandate that you must be home-based. It is a matter of personal choice. Are you comfortable working at home, and does the home environment lend itself to a professional office? There may be advantages, from a taxation point of view, for a home-based office; you should consult your professional advisors in this regard to ensure that you obtain maximum benefits.



If you choose to rent an office, then the options might consist of a fully furnished ‘executive-suite’ arrangement where all services, including a telephone message service, are available; or you might rent a small office in a professional building. You might consider a shared office situation with a professional firm. There are indeed many options – even ‘virtual’ offices are now available in most areas in a cost-effective format.

What makes this franchise a good fit for a home-based situation is the fact that your clients do not come to your office – you always do business at their location. This is all part of the ‘value-added’ service that Interface offers.

15. Should I Incorporate?

There are many different business structures that you can use when you establish a new business. The following is a summary of some options – you should consult your professional advisor as to the best arrangement for you.

In Australia, it might be a Partnership, Limited Liability Company, Limited Liability Partnership, or you may choose to take the franchise in your own name acting as a Sole Trader.



In Canada, it might be a corporation, partnership, or sole proprietor. There are a number of vehicles available to allow you to use your RRSP funds. If you plan to use such a vehicle then incorporation will be necessary. If you need information on this process please contact us by email (ifg@interfacefinancial.com), and we will put you in touch with the experts!



In New Zealand, The Interface franchise agreement provides you with the option of your franchise as a “sole proprietor” and then incorporating at a later time.



In the Republic of Ireland, it might be a Partnership, Limited Liability Company, Limited Liability Partnership, or you may choose to take the franchise in your own name acting as a Sole Trader.



In Singapore, it might be a Partnership, Private Limited Company (PTE), Limited Liability Partnership (LLP), or you may choose to take the franchise in your own name acting as a Sole Trader.



In the United Kingdom, it might be a Partnership, Limited Liability Company, Limited Liability Partnership, or you may choose to take the franchise in your own name acting as a Sole Trader.



In the United States, it might be a regular sub-chapter S corporation, a Limited Liability Corporation (LLC), a partnership, and so on; or you may choose to take the franchise in your own name acting as a ‘sole proprietor’. There are a number of vehicles available to allow you to use your 401(k), profit sharing, or IRA funds to buy and finance your Interface franchise. If you plan to use such a vehicle then incorporation will be necessary. If you need information on this process please contact us by email (ifg@interfacefinancial.com), and we will put you in touch with the experts!



16. Interface Clients

The Interface Financial Group provides service to a wide range of businesses. They all, however, tend to have certain characteristics in common – their length of time in business usually falls into the range of 6 months up to about 4 years, and the number of employees, on average, is under 20. Annual sales are usually in the range of \$350,000 up to about \$4 million in US dollars.

These companies are all very entrepreneurial. They are all under-capitalized and over-trading. In other words, they are trying to do more business than their capital base will currently allow. Their order book is strong but their working capital has become tied up in inventory and accounts receivable. Interface unties the capital by buying selected quality current invoices at a discount to allow for a greater velocity of growth.




What do our clients have to say about Interface?

- *Your service has been great. We have found the service and process Interface offers have been everything and more – you over-deliver.*
- *I appreciate the assistance from Interface. Working with you has been a true pleasure and an absolute blessing for our growing company. I will pass your name on to colleagues.*
- *Interface has been an invaluable aid in getting my business off the ground and running. Your streamlined system for purchasing receivables couldn't be simpler.*
- *My strong working relationship with Interface has allowed me to stop worrying about cash flow. Any time I choose, I can turn a portion of my receivables into cash. The process is very simple and straightforward.*
- *During the 2 years we've been working with IFG, we have seen our business grow from \$100,000 to a \$1 million business!*


On the following page are a few recent examples of working capital that Interface provided to their small business clients, and a more complete list of some of the types of clients we work with.

These are just some of the industries & types of businesses that Interface franchisees are currently working with.

Advertising Agencies (Radio & TV)	Artwork Suppliers	Caulking & Restoration Services
Cellular Telephone Companies	Clothing Distributors	Commercial Copy Services
Commercial Printers	Computer Supplies	Courier Companies
Demolition Contractors	Door & Window Manufacturers	Drywall Contractors
Electronic Assembly Companies	Electronics Supplies	Environmental Engineering
Executive Search Firms	Fiber-Optics Contractors	Facilities Management
Film Restoration	Food Manufacturers & Distributors	Grain Silo Construction
High Tech Recycling	Industrial Cleaning/Janitorial	Information Technology Services
Insurance Agencies	Insurance Restoration Companies	Landscape Contractors
Machine Shops	Manufacturer's Representatives	Masonry Contractors
Metal Roofing	Mobile Wash Services	Oil & Gas Pipeline Companies
Pallet Manufacturers	Private & Charter Schools	Publishing Companies
Real Estate Agents & Brokers	Refrigeration Engineers	Roofing Contractors
Scaffolding Suppliers	Sign Companies	Structural Steel Contractors
Staffing Agencies	Tile/Carpet Installation	Waste Container Manufacturers



Recent IFG Transactions



“We consider The Interface Financial Group a *working partner* in the operations of our business. It is a relationship we value greatly, and, certainly, we look forward to continuing that relationship.”

~ Another satisfied Interface client

Type of Business	Amount Funded	Type of Business	Amount Funded
Network Installation	\$6,000	Excavation Contractor	\$33,624
Sawmill	\$8,901	Business Consulting	\$38,669
Dairy Products	€9,000	Screen Printing	\$44,189
Flooring Installation	\$10,300	Delivery Services	£57,169
Software Testing	\$10,361	Property Maintenance	\$77,810
Truck Maintenance	\$11,856	HVAC Contractor	\$79,650
Moving Company	\$12,000	Electrical Contractor	\$99,194
Accounting Firm	\$12,861	Commercial Cleaning	\$108,436
Dairy Production	\$14,767	Packaging	\$117,694
Public Relations	£17,920	Industrial Cleanup	£135,476
Attorney	\$18,700	Telecommunications	\$151,185
Soil Testing	\$19,931	Elderly Care Home	\$161,273
Health Care Services	\$27,000	Temporary Staffing	\$172,489
Apparel Manufacturer	\$27,822	Trucking	\$200,172
Lighting Contractor	\$29,909	Steel Fabrication	\$434,243
Plumbing Contractor	\$32,197	Civil Engineering	\$1,218,554

17. Marketing

How do you get clients? With more than 40 years of experience, we have found that the best clients come from referral sources. We have, therefore, created a professional marketing approach that does not rely on cold calling and ‘selling’ to an end user, as the primary approach. We train our franchisees in the art of forming a ‘Lead Source Referral Group’ that will supply the bulk of their business. In the majority of locations, where Interface franchisees operate, that Group consists of three basic components: a) Banks b) Non-Bank lenders and c) Accountants that run small business practices.

Interface franchisees do not ‘sell’ the service. A typical marketing approach is to work with a lending officer of a local bank. We request a meeting time, by appointment, of perhaps only 15-20 minutes. During that meeting we explain who we are and what we do. We are mindful of showing that we are not in competition with the bank, and simply ask for referrals when the bank is unable to accommodate their customers’ business funding needs.



This approach allows the bank to continue supplying their regular services (such as checking accounts and payroll services) and maintaining a deposit relationship, while Interface handles the funding requirement. At some future time the client will become ‘attractive’ to their bank, from a lending point of view, and the bank will then take over the funding role.



Banks are in the business of providing services to their clients. Those services vary and may be readily available, or not available, due to the incompatibility of the applicant. Where they are not available, the bank then becomes a ‘problem solver’ for their customer by referring that aspect of the business need to Interface.

A bank that cannot approve a loan application certainly has an interest in retaining the existing banking/ deposit relationship with their customer. Therefore, in order to solidify their position, they will try to find a funding source that does not compete with them to solve their customer’s problem.

A referral to Interface is often all it takes to resolve the issue. It becomes a ‘win-win-win’ situation. The customer ‘wins’ as they receive the required funding, the bank ‘wins’ as they have a satisfied customer, and Interface ‘wins’ by acquiring a new client.

The marketing aspect of the franchise is often the area where franchisees need the most individual attention and, therefore, our training program is specifically geared to address such issues in a very practical ‘hands-on’ format. Area Developers and the Director of Marketing are charged with the responsibility of working with franchisees to maximize their Interface business opportunity.

In addition to referrals, Interface franchisees utilize their communication skills by being involved in professional networking. This marketing activity might encompass becoming an active member of a Chamber of Commerce and/or local service clubs. There are also many networking groups that exist specifically for the purpose of exchanging leads and generating business for the members. Trade associations and groups will also form the basis for other networking opportunities.

We mentioned ‘non-bank’ lenders as another potential lead source. **Who are Non-Bank lenders?** Simply put, these are business lenders that do not have bank status or ‘bank’ in their name. They include factoring companies, Asset-Based Lenders (ABLs), leasing companies, venture capital companies, credit unions, and merchant banks. Interface, as an Invoice Discounter, is included in this non-bank funder category.

Strategic alliances can help generate business for franchisees. Interface is active on behalf of franchisees in developing relationships with organizations and companies that can drive business to Interface and, in some instances, allow Interface franchisees to refer business back to our partners and earn referral commissions.

Franchisees naturally enjoy a strong relationship with their clients and, equally as important, they also enjoy a great working relationship with their referral contacts in the banks, the community, and other professional areas. An integral part of the Interface training program is devoted to assisting franchisees hone their relationship skills, and working with them to ensure that they have a strong startup relationship mentality resulting in the creation of their individual “Lead Source Referral/Relationship Group”.



In summary, what we are saying is that **Interface is a relationship business**. For Interface franchisees, it is their relationships with other businesses that help to contribute to the success of their individual franchise.

18. Territory

The Interface franchise is unique in many ways, one of which is that it is a **portable franchise, awarded on a non-territorial basis**.

As a franchisee you are literally free to do business anywhere in the country in which you are franchised, and in many cases, you are able to do business on other countries in which Interface operates. However, certain natural constraints will come into play. *It is an Interface requirement that franchisees never do business with clients that they have not visited or cannot visit in person.*



As we have previously stated, business is conducted at the premises of the client, not at the franchisee’s office, and is always ‘face to face’. Therefore, from a practical point of view, it is unlikely that you will want to service clients that are more than about a 90-minute drive from your location. That 90-minute guideline will naturally be somewhat flexible as in some cities you only travel across town in that time, while in other areas you can travel great distances.

Portability is also a unique Interface feature. For example, you may initially be located one county or state or province, and at some point in time you decide to relocate – it’s simple, just ‘pick up’ your Interface franchise and move it. Some quick re-printing at a minimal cost, and you are immediately in business again. Existing clients can continue to work with you without interruption. The franchise is also portable across borders – for example from the U.S. to Canada, or Australia to New Zealand, and vice-versa; although in such an instance there is a necessary ‘conversion process’ to complete.

19. Risk Management

At the heart of any well-proven financial system is the risk management program. The **Interface Risk Management Program** is a product of over 40 years of work and refinement. It is the pivotal point of the franchise. There are many facets to the program, and we will touch on the four core elements here:

1. **Interface franchisees never buy invoices that are due from companies that are NOT credit worthy.** Interface franchisees, with the help of Head Office, always obtain credit history information on the debtor in the transaction, i.e. the Customer. If it does not meet Interface standards, we simply do not buy the invoice.
2. **Interface franchisees only buy invoices on a 100% ‘recourse’ basis.** Recourse simply means that in the event there is a problem, you have ‘recourse’ to the party that sold you the invoice, i.e. your client company. One of the dictionary definitions of recourse is *going to for aid*, and that is exactly how Interface sees the situation. In the event of a problem, we have the right to go to the client for aid and assistance in resolving the issue. Our client has contractual obligations towards us in terms of providing that aid. We never take the merchandise risk or the credit risk. There are some restrictions on the application of recourse in three states in the U.S., and in those areas Interface has perfected an alternative to the standard recourse approach.



The Interface Risk Management program has a unique ‘buy-back’ feature for any unpaid invoice. This feature is also geared to a specific time frame so that every Interface franchisee knows exactly when a receivable will be paid or repurchased by their client. Every invoice an Interface franchisee chooses to buy always *has* a buy-back or replacement guarantee from the client company.

3. **Owners of client companies always provide Interface with their personal guarantee,** whereby they personally stand behind all of the obligations their company has to Interface.
4. **The Interface system requires the Customer to be notified of the transaction with Interface.** The Customer is requested to confirm receipt of such notification, and also to confirm acknowledgement and acceptance of the goods or services. The customer is also required to acknowledge that payment will be made directly to Interface at the end of the credit term. This confirmation and acknowledgement is always obtained in writing.

Franchisees work in a secure environment while employing this core framework of risk management tools, together with other well-established components of the Interface process. Spreading the risk is also an important risk management tool for any business – the same is true for Interface franchisees.

Fortunately, at Interface, we have a multilayer approach to spreading the risk. Envision a risk pyramid with your Interface working capital sitting at the very top of the pyramid. Let’s use a number of \$100,000 for working capital. Once this has been deployed it will probably service the needs of only 3 clients. This means that you have now ‘spread the risk’ over 3 separate and distinct companies. ***This is good.***



When a client approaches Interface for funding and they need let us say \$30,000, it is very unlikely that they will offer you just one invoice. The probability is that there will be a selection of 5 or 6 invoices that total \$30,000. The average invoice size in the Interface system is currently approximately \$5,500. Therefore, by buying a group of invoices you have once again spread your risk over a number of different customers. ***This is better.***

The risk management pyramid has a very broad base. In our example, there may be some 15 to 20 individual invoices that represent your individual risk unit, and that risk unit number averages out to less than \$5,500.

Because the risk management system is the hub of the Interface system, it allows franchisees to work with comfort in a secure environment. Franchisees that adhere to the proven Interface system enjoy this protection. It is the system that looks after the franchisees and, therefore, it is of paramount importance that the system is respected at all times.

20. Startup Time

Every business takes time and energy to start up and get going. Fortunately, with an Interface franchise, you have a dedicated management and support team working with you to maximize your efforts in getting started. Naturally every franchisee wants to get their capital invested in the shortest time possible.

An Interface franchise is, however, not one to ‘rush’. An orderly approach to opening the business and building your Lead Source Referral Group, and subsequently your portfolio, will lead to greater long-term success. You don’t buy an Interface franchise for just 3 or 6 months, but for the long haul – in the case of Interface, for an initial 10-year franchise term. Therefore, it makes abundant sense to work into your franchise with a step-by-step approach.

Once training is completed, we work with each franchisee to establish their first client. Once that client is on board the first transaction will take place. A conservative estimate to have your first funding completed might be in the area of 90 to 120 days after completion of all training. In most cases the client will return to ‘do it again’ and a second transaction with the same client will take place. This repeat business approach is common with Interface clients, and they usually work with Interface for 18-24 months (on average) – doing transactions on a monthly or weekly basis depending on their cash flow needs.

Once that second transaction is underway, it may be time to start the search for a second client as your comfort and experience levels begin to grow. This is the pattern for good long-term success – steady growth on a planned basis. It is good to have patience as your business develops – it pays dividends in the long run.

21. Your Portfolio

We have talked about building a portfolio of clients on a client-by-client basis. This proven approach enables you to create a portfolio of clients that you will work with on a regular basis for many months. The size of your portfolio, in terms of the number of clients you service, will be a product of the amount of capital you choose to devote to your Interface franchise. This franchise is a capital-driven business. Capital will drive such elements as the size of the portfolio, income, marketing effort, and time commitment.



As an example, let’s work with a hypothetical franchisee that has \$100,000 working capital. In this model a franchisee would be able to service the needs of only 2 or 3 clients. When a client first comes to Interface, the amount of working capital they are looking for is an average of approximately \$30,000. Therefore, \$100,000 will only ‘stretch’ to a maximum of 3 average clients leaving a small cash reserve. In terms of marketing, if you only have to create a portfolio of 3 clients, a somewhat controlled marketing effort is appropriate.

How much time does this portfolio take to administer once it is created and the business has started up? Conservatively, a time commitment of 30-35 hours per month should prove more than adequate. *Remember, the essence of an Interface franchise is the ability to put capital to work rather than putting franchisees to work.*

Employing more capital will certainly increase the size of your portfolio and your time requirement and, naturally, your income level, but they may not all increase in the same ratios. While it is possible to see profits doubling if the capital is doubled, it does not automatically follow that the number of clients or the time requirement will double.

Franchisees must be cognizant of the fact that **clients come to Interface because they are experiencing a growth cycle in their business.** Therefore, if a typical client comes to Interface looking for \$30,000 of working capital assistance and Interface meets that need, it is not unrealistic to expect that same client’s funding requirement to be \$35,000, when they return to ‘do it again’ with similar increases as the relationship develops. Interface franchisees assist clients’ growth, which, in turn, creates growth for Interface franchisees.

22. Working Capital

We are often asked, “How much capital does it take to start an Interface franchise?” While there is no exact answer, we do believe that franchisees should start in a modest manner with approximately \$50,000¹ in capital over and above the franchise fee. *This is working capital that will be used to purchase receivables.* By starting in a modest way a franchisee can grow their business at their own velocity, adding more capital as they undertake to service the needs of additional clients and as their knowledge and comfort levels grow.



We are also often asked, “Where does the capital come from, and are there restrictions on the source of funds?” The capital for the franchise is, as it would be with any business, the responsibility of the owner – in this case the Interface franchisee. As a franchisor, we place no restrictions on the amount of capital that an individual franchisee may employ – there is no minimum or maximum. Established franchisees typically have capital levels of \$300,000¹ to \$400,000¹. Similarly, we place no restrictions on how a franchisee may source those funds.

Many Interface franchisees finance their franchises with savings and their pension fund accounts. There are methods of using pension funds for this type of franchise investment that do not involve tax penalties when the funds are withdrawn from retirement plans. Some franchisees have silent partners who contribute capital; others use conventional approaches such as home equity lines of credit from their bankers.

An entry-level investment for an Interface franchisee can be approximately \$100,000 (in US dollars), being a combination of franchise fee, initial expenses, and inaugural working capital.

Interface is a capital-driven franchise – the more capital that is employed the greater the income level.

23. Training

Training is the essence of a good franchise, and Interface is committed to having franchisees up and running in the shortest time possible. It is our aim to have the franchise open for business within 30-60 days of signing a franchise agreement.

Training is broken down into 3 Modules.



Module One: Much of the success of the training program is dependent on the franchisee conducting a **self-directed training session** under the guidance of Interface. Approximately one week after signing their franchise agreement, franchisees receive the multi-volume Operations Manual and related materials. It is normal for a franchisee to need about two weeks to study and digest this material.

While you are studying the material, we are also busy customizing all of the relevant forms, contracts, agreements, etc. that are required for you to commence operations. Similarly, all of your printed material is prepared, i.e. letterhead, envelopes, business cards, and marketing brochures.

It is also during this initial period that franchisees are encouraged to organize their ‘office’. This may involve the installation of additional telephone lines, etc. to facilitate operating their new IFG business.

Module Two: Once you have completed Module One, you will attend the 2-day intensive **Formal Training** at our training facility. This module is, in part, preparatory work for Module 3 training and focuses on Interface background; transaction methodology; risk management models; transaction flow; record keeping; documentation, etc. New IFG franchisees are exposed to the Interface marketing approach, and training is provided in the various new business approaches, including emphasis on working with banks and other referral partners.





Module Three: Field Training takes place approximately 7-14 days after satisfactory completion of Formal Training. In Module 3 we visit your location for a two-day marketing program to get your Lead Source Referral Group started. *This is practical marketing.* A senior Interface executive will go with you and will, by pre-set appointments, call on potential lead source referral parties. It is normal that over a two-day period as many as 12 banks, non-bank lenders, and/or accountants might be visited. This starts the process of channeling referrals for your franchise. *It is not unheard of that contacts made during the initial field training visits have resulted in the establishment of an immediate prospective client base.*

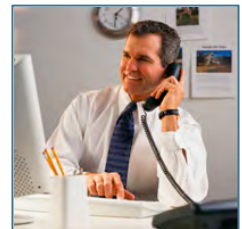
The cost of training is included in the franchise fee with the exception of Formal Training, where the franchisee is responsible for travel, lodging, and living expenses.

24. Ongoing Training

Training never stops. At the conclusion of the Formal Training all franchisees receive a customized 13-week post-training schedule. Their activities are detailed in a written post-training memorandum detailing specific franchise-building activities on a week-by-week basis over the initial 3 months of their operations. The Interface franchise is geared to ongoing support. As franchisees start to evaluate referrals, they are encouraged and expected to refer the transaction to the Head/Regional Office for help, guidance, and support. The Head/Regional Office will review every transaction for the life of the franchise. This detailed consultation program is just another unique feature of the Interface franchise. The Interface franchise is your business, but you are not alone in the business as the Head/Regional Office represents a valuable resource for your growth and success.

Because the initial weeks of a franchise are critical to set it on the right path for the future, Interface has invested in a **unique one-on-one coaching program** for all incoming franchisees.

Each franchisee is allocated an Interface coach, and that coach will have regular weekly or bi-weekly telephone meetings with the franchisee for about an hour. During that time the franchisee will have the opportunity to review the starting, managing, and growing of their franchise. The franchisee will have a *sounding board* for their ideas and projects. This program is structured on an individual basis and so the length of the program may vary depending on a franchisee's individual needs.



In addition, all franchisees are encouraged to participate in regular web-based training. These one-hour interactive video sessions are conducted by the senior management team and always include information, discussion, and Q & A content. They cover a wide range of topics, some of which have been specifically requested by franchisees.

Below are some comments from IFG franchisees about the training they've received.

- *The training team is very approachable, responsive, and shows a positive helping attitude – no questions go unanswered.*
- *Great job. I was very impressed.*
- *Field training went very well! We had 15 bank meetings, and in our last meeting with the bank president of a small 8-branch bank, we got a referral, on the spot, to a potential client – which was fun!*
- *I learned a lot watching and listening during Field Training.*
- *The training and support from IFG is superior.*

Training opportunities are also prominently featured at the **IFG Annual Franchisee Conference**. This 2-3 day event is also an opportunity for all franchisees to meet together to network and socialize.

According to franchisees attending (from the US, Canada, Australia, New Zealand, and the UK) the 2012 Annual Franchisee Conference:

- 97% said they would attend next year
- 100% said attending was worthwhile
- 95% said the content was excellent and relevant to their business
- The #1 response to “What did you like most about the Conference?” was the opportunity to network with other IFG franchisees, share experiences, and get new ideas.



25. Information Support

Not only does the IFG management team review all transactions, they may also assist in obtaining background credit information, company searches, and registration details.

In the Interface procedure, prospective clients complete and submit an Application Form. Franchisees may fax copies of these forms to the IFG management team in order that the information can be discussed and franchisees can benefit from the experience of the IFG management team personnel in determining whether or not to move forward with the transaction.

As a transaction progresses, the Interface system requires the franchisee to ‘stop’ at certain points and complete a ‘checklist’ to ensure that all procedures and documentation are completed and in order. As with the Application Form, the management team wants to review this checklist to ensure that the system is in place and that the transaction is progressing in accordance with the Interface methodology.

These consultation steps are available to all franchisees, covering all of their transactions for the life of the franchise.

26. Credit Investigations

We have discussed the basic costs of the franchise and the day-to-day operations in various documents. There are always some *extra* costs, albeit minor ones, which need to be highlighted. Credit reports and payment history information play an important and integral part in the Interface system and, therefore, we must address these items especially in terms of cost.

Reports Cost Money! You must factor a cost into your budget to account for such items. Currently a full comprehensive report costs approximately \$40 in the US, \$20 in Australia, \$20 to \$50 in New Zealand, €20 in the Republic of Ireland, \$50-\$150 in Singapore, and £20 in the UK. It should be noted that there are two occasions when you will need credit information:

1. **When you are investigating a prospective client** you need to search their background and check their credit history to determine if you will do business with them. The cost varies depending on the location and depth of your search. You may wish to get an indication of the cost prior to conducting the search.

2. When you have a client and they offer to sell you an invoice, **you need to check the credit history of the customer.** In this case any costs incurred will be charged to you, and then passed on to your client. This is a cost of doing business for them and they must absorb the amount. You will collect this from your client simply by deducting it from the purchase price of the invoice you are buying.

27. Business and Franchise Costs

To be in business as an Interface franchisee you will naturally incur some minimal day-to-day operating costs. (Also see “What Do You Get?” – Section 13). **From an equipment point of view**, you will only need a telephone, fax machine, computer with an Internet hookup and appropriate software and, of course, transportation in order to visit your clients. A printer with copying capability is an additional office item. For bigger print/photocopying jobs, there are local facilities that can accommodate these needs at minimal cost.

Your resulting overhead costs will be as follows: telephone/communication charges, gas/petrol for your car, some minor mailing and photocopying costs, and the credit investigation costs (normally to be passed on to your client) that we have already discussed.

Once a transaction is completed, it is normal practice to file a notice in the appropriate registry that clearly tells all other ‘*would be*’ financiers that Interface has an interest in the accounts receivable of the client company. In some locations, Head Office will take care of the paperwork. There is a filing cost involved, which is passed on to the franchisee – it will vary from location to location, but it does represent a cost of doing business. Franchisees may choose to pass on this cost to their clients. From a bank comparison point of view, banks always charge all of the setup costs to the borrower – this is a normal, accepted practice in the banking world.



You might also choose to work with **business brokers**, such as specialty cash flow brokers, who can direct business to you. As you would expect, they require a suitable commission. This commission is always negotiable and should normally not exceed 10% of a franchisee’s gross discount income. Brokers are naturally paid when a transaction is completed and the customer has paid the franchisee. You can control this cost, as it is your decision whether or not you work with a broker.

In addition, some factors serving as a referral source may seek a suitable commission. Some smaller banks now also look for commissions as they have become aware that referrals can create fee income. When talking with potential lead sources, franchisees should always ascertain their policy in this regard. The referral fees described above should be viewed by franchisees as a ‘result-based’ moderate cost of their marketing efforts.

There are naturally costs associated directly with the franchise, and these are detailed in the franchise agreement. These consist of three areas: one is the one-time franchise purchase fee (paid when the franchise agreement is signed), the royalty due to the franchisor (this is a percentage of your gross discount income), and the monthly maintenance fee.

Travel expenses for Module Two of the training program (Formal Training) are additional to the franchise fee – please refer to Section 23 on training.

Your franchise agreement allows you to sell the franchise at any time. The cost of the sale is between you, the franchisee, and the potential buyer. However, we must approve the buyer, and that buyer must take our training course and pay a one-time training fee as specified in the franchise agreement, together with the cost of new printed material. This training fee applies only if you sell your franchise.

28. Promoting Your New Interface Business

We have indicated that our preferred method of obtaining business is through the creation of a **Lead Source Referral Group**. We do, however, suggest that all franchisees be prepared to spend up to \$1,000 (or the equivalent) for promoting their business during the first 90 days of their franchise.

There are many different ways to promote a business over and above direct advertising.

1. Networking Groups

You might consider becoming a member of a networking group. There are several well-known organizations that can provide a lead generation model that may appeal to you.

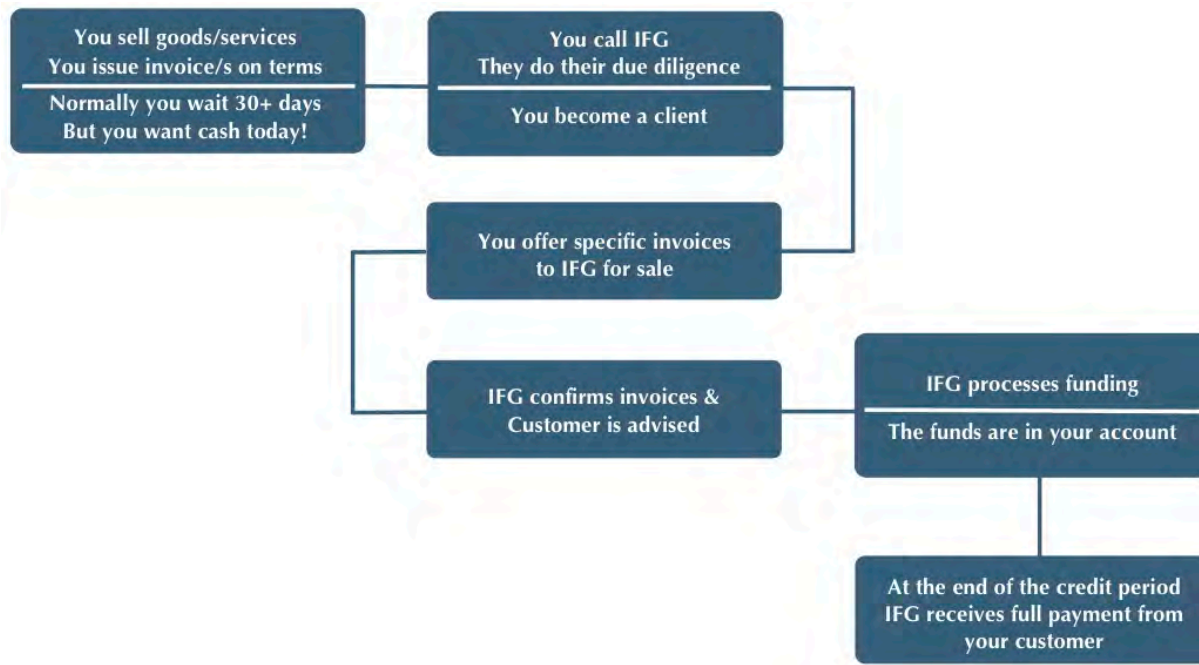
2. Membership in the local Chamber of Commerce / Board of Trade

Local Chambers of Commerce can provide you with an excellent opportunity to network with both potential lead source individuals, as well as with potential clients for invoice discounting. Chambers of Commerce, in the main, have a membership that consists of at least 75% small business, which may translate into potential clients for Interface. Most Chambers have structured meetings and gatherings that allow networking among members. They may consist of breakfast meetings or 'after hour mixers' where you can meet and talk with potential clients about the Interface service. Membership in a Chamber will also give you a listing in their membership directory, and open the doors to other resources that the Chamber offers for businesses. They usually have an excellent library of resources for businesses that are just getting started. Many Chambers also feature businesses in their monthly newsletters and this is again an opportunity for Interface to receive additional exposure.



29. A Typical Transaction

In any Interface transaction there are three parties: The company that sells the invoice – known as the **client**; the company that will pay the invoice – known as the **customer**; and **Interface** – the **franchisee**.



This flow chart illustrates the transaction **from the client's perspective**.

Interface franchisees buy invoices that have net 30-day terms.

Our **client** will manufacture and deliver the goods that the customer has ordered – or render the service ordered – and will then invoice the customer for the appropriate payment. Normally the **client waits about 45 days** to receive payment in full.

Our **client**, however, wishes to have 'cash today' and arranges to **sell the invoice to Interface for immediate cash at an agreed discount**.

In order to complete the 'legal' process the client notifies the customer that the sale has taken place with Interface, and the customer acknowledges this to Interface, as well as confirming that all goods and/or services have been satisfactorily received from the client in accordance with their order.

Once this simple paperwork is completed, Interface completes the transaction by making payment to the client, thus becoming the owner of the invoice. A notice of registration will then be completed as already described. The invoice will be paid in full directly to Interface at the end of the credit cycle to conclude the transaction.


Interface usually funds the transaction at 90% of the face value of the invoice.

The typical pricing structure for Interface invoice discounting is a **discount charge of 10% for a 45-day period**. The maximum credit period that franchisees usually entertain is 45 days. In the event a transaction is concluded in less than 45 days it is quite customary for franchisees to adjust the discount fee to match the actual days that the invoice was outstanding. This adjustment is always made at the end of the transaction – until the invoice is paid, the actual days outstanding are not known.


Each transaction is a **stand-alone transaction**, and the franchisee will discuss terms and costs with the client on an ongoing basis. In certain situations there will be no ‘adjustment’ as described above – it is always at the franchisee’s option and will be determined with the client prior to the funding of each transaction.

If a 10% discount rate is equivalent to 45 days, then a rate of 6.66% would apply for 30 days and so on. Franchisees usually have a ‘floor’ rate; often 4% is their minimum discount rate. Therefore, if a transaction was outstanding for 5 days, the rate on an exact calculation basis would be one ninth of 10%. However, in this case the ‘floor’ rate would apply and a 4% discount would be earned.

The ultimate discount rate quoted by the franchisee will always be at the franchisee’s discretion – Head office does not mandate rates.



Recent IFG Transactions



“We consider The Interface Financial Group a *working partner* in the operations of our business. It is a relationship we value greatly, and, certainly, we look forward to continuing that relationship.”

– Another satisfied Interface client

Type of Business	Amount Funded	Type of Business	Amount Funded
Network Installation	\$6,000	Excavation Contractor	\$33,624
Sawmill	\$8,901	Business Consulting	\$38,669
Dairy Products	€9,000	Screen Printing	\$44,189
Flooring Installation	\$10,300	Delivery Services	£57,169
Software Testing	\$10,361	Property Maintenance	\$77,810
Truck Maintenance	\$11,856	HVAC Contractor	\$79,650
Moving Company	\$12,000	Electrical Contractor	\$99,194
Accounting Firm	\$12,861	Commercial Cleaning	\$108,436
Dairy Production	\$14,767	Packaging	\$117,694
Public Relations	£17,920	Industrial Cleanup	£135,476
Attorney	\$18,700	Telecommunications	\$151,185
Soil Testing	\$19,931	Elderly Care Home	\$161,273
Health Care Services	\$27,000	Temporary Staffing	\$172,489
Apparel Manufacturer	\$27,822	Trucking	\$200,172
Lighting Contractor	\$29,909	Steel Fabrication	\$434,243
Plumbing Contractor	\$32,197	Civil Engineering	\$1,218,554

The IFG Marketing Communications Dept. produces this monthly “Tombstone” piece of recent IFG transactions. It is one of many pieces IFG franchisees use to keep in touch with their referral sources.

“I use the Tombstone every time I visit or email a prospect or referral. It’s a great piece to let them know the kinds of deals we do.” so says an IFG franchisee

30. Collections

Will I become a collection agency if the invoice isn't paid? That question has a simple answer – **NO Interface is not in the collection business.**

In fact, other than a low-key reminder call for an overdue item, we engage in virtually no collection activity whatsoever. Our risk management system is all predicated on a 100% recourse arrangement with our client. The client has sold an invoice and has warranted to Interface that it will be paid. In the event it is not paid the client must, in accordance with their legal agreement, repurchase the invoice. Should that repurchase prove unfeasible, they will replace it with another acceptable invoice or invoices to cover the first transaction, including the discount fee.

This repurchase or replacement procedure, however, is very much the exception rather than the rule. Franchisees are rarely involved with this part of the process. **Interface only buys invoices that are due from credit-worthy customers.** The credit history is always checked before the purchase is made.

There are only two main reasons or categories whereby an invoice is not paid. They are:

- a. the customer does not have the money; or
- b. The customer claims to have a dispute over the service or merchandise.

In both cases the Interface system manages the risk by always checking credit and by obtaining the customer's assurance that the goods or services were satisfactorily delivered and accepted. This verification process is always carried out prior to the franchisee buying the invoice. Therefore, if some negative element surfaces, the franchisee can simply decline to purchase that particular invoice.

Interface franchisees never get drawn into situations where they might be considered as 'collection agents' because:

1. They don't want to be in that business; and
2. Most jurisdictions require a person or company to have a specific license enabling them to carry out such a business.

31. Other Businesses

Due to the time frame necessary in managing an Interface franchise, many franchisees may operate other businesses at the same time as running their Interface invoice discounting business. We place no restrictions on other business interests that you might have other than operating a business that directly competes with Interface or one that would create a negative image for your Interface franchise.

We have franchisees that have successful full-time employment. This situation works where their particular job allows them the flexibility to be 'out' of the office from time to time to handle client visitations and networking. There is no doubt that, as with any business, there is an element of routine 'paperwork' with Interface, but this certainly does not have to be handled during core business hours. This type of situation also allows franchisees to transition into their own Interface business while maintaining their employment status until such time as it proves appropriate to change their circumstances.



32. The Numbers

The Interface organization does not make any earnings claims regarding our franchise and the following numbers are examples only – your franchise may vary.

One of the main components for success in any franchise is the franchisee. The franchisee is the driving force that makes things work! As far as the numbers go, **you** can easily do the math – if a typical discount rate is 8% per transaction, and a transaction is outstanding on the franchisee's books for 40 days, that represents a per annum return of 73% based on the formula $365 \text{ divided by } 40 \text{ and multiplied by } 8$.



Naturally, a franchisee cannot have all of their working capital employed 365 days a year. In fact, a franchisee should not have all of their funds employed. Since many clients provide repeat business, you never know exactly when a client might call requesting either additional funds or to start a brand new transaction. It is prudent, therefore, to have only 75% to 80% of your available funds invested, keeping the balance as a reserve for new requests.

Therefore, if we assume that a conservative capital employment rate of 75% is appropriate, the per annum return would have to be adjusted accordingly, i.e. $73\% \times 75\% = 54\%$.

This example is provided purely as a guideline. Your business will depend on the amount of time and resources that you choose to contribute, however, the ultimate success will depend on **your personal effort and commitment.**

Proactive franchisees achieve a higher rate of success than do more passive, reactive individuals.

The Interface organization does not make any earnings claims regarding their franchise.

33. Expanding an Interface Franchise

As franchisees mature in the business, many seek to expand their business. They may wish to expand the core invoice discounting business or some peripheral areas. In the core area, many franchisees find that they attract more business than they can handle from a capital point of view. They often seek silent partners, investors, or even conventional bank financing to generate more capital and, hence, more revenue.

Attracting such capital always comes at a cost. Each franchisee will look at the cost and weigh this against the potential return and benefits of working with other people's money. Usually it is an easy decision – the payment of a modest return to an investor is a worthwhile approach for an Interface franchisee.

Non-core business can be developed in the form of brokered transactions. Interface has a strategic alliance with a leading national purchase order finance organization, because we receive requests for Purchase Order Financing on an ongoing basis.

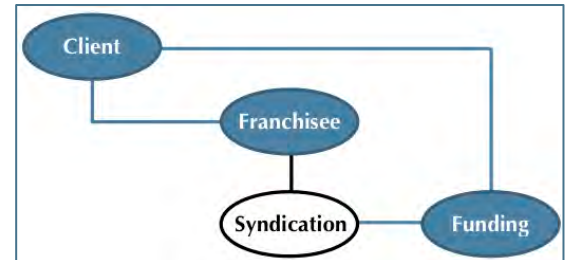
When franchisees develop leads for other types of financing, Head Office is available to show them how to package the application, and which of our strategic partners are best suited to the transaction. Naturally, if the transaction is funded, there is a finder's fee or commission payable to the franchisee. The franchisee earns this without employing any of their capital and, naturally, does not incur any risk in the transaction.

34. Syndication

Interface offers a unique syndication process to ensure that all transactions that are fundable are, in fact, funded.

This means that if a franchisee has a transaction that requires more investment than they currently have available, they can use IFG’s innovative syndication process to ensure that their client’s needs are satisfied and the funding is completed in a timely manner.

Syndication is also an opportunity for franchisees to share risk by joining with IFG Network to jointly fund a transaction in a shared risk/reward basis.



35. IFG Network

IFG Network is a sister company to Interface Financial Corp. They act as a resource center for Interface franchisees. IFG Network’s marketing team has crafted a ‘high-tech’ approach to capturing prospective clients through the web gates, in addition to existing and more traditional approaches.

Marketing results show this to be an effective means of generating new business. How will this help Interface franchisees? IFG Network is not an invoice discounter – they are our marketing and operational division and, as such, the business they are able to generate is shared with existing Interface franchisees by syndicated transactions. This sharing approach means that everyone is a winner.

In the previous section we addressed Syndication and the positive value it brings to the transactions – you can look upon IFG Network as *your* syndication partner. The good news is that your partner does all of the acquisition work!

None of our operating companies – Interface Financial Corp, The Interface Group Ltd., nor IFG Network – is directly involved in invoice discounting. In other words we, the franchisor, do not compete with our franchisees in any way. We do, however, provide complementary support services to ensure that all “doable” transactions are completed.

36. Transition Vehicle

The question is often asked **“Do I have to give up my day job to become an Interface franchisee?”** The answer is “not necessarily”. If you have ‘time flexibility’ in your existing career position, then it is quite possible that you can start an Interface franchise while keeping a regular paycheck coming in.

Since running an Interface franchise may only take a few hours a month to operate once you have established a small portfolio, it is often possible for you to run both your job and Interface in parallel. Time flexibility is required however. This means that your current position must afford you the opportunity to be away from your employment once in a while in order to visit prospective clients and handle the setup/due diligence, and networking. We only do business face-to-face, and since this meeting with the prospective client is crucial, you must be able to conduct IFG business during normal business hours.

If you can be absent from your position maybe for 2-3 hours once or twice a month, it is quite probable you can conduct both a job and your own Interface business at the same time. Once the initial setup work is done with the client, it is possible to handle the process of buying invoices without having to visit the client premises. Of course, some of the paperwork surrounding the Interface transaction can be completed during non-core business hours, providing another avenue of flexibility for the franchise.

We have always advocated that this is a business that you start on a gradual basis, with a client-by-client approach, rather than trying to acquire multiple clients in the first few days after training. Therefore, if you adopt this approach and continue in employment, there is usually some compatibility between the two ventures.

Interface currently has several successful franchisees, who also ‘enjoy’ full-time employment. Their goal, however, is to transition out of employment at a time favorable to them. When the time comes to transition, they will have a ready-made Interface business up and running.

37. More Information

Our websites contain an abundance of information to complement this overview document. You will find articles, statistics, videos, etc. that will help you in your review and understanding of the Interface franchise.

Our website by country are:

- United States & Canada <http://www.interfacefinancial.com>
- Australia <http://www.interfacefinancial.com.au>
- New Zealand <http://www.interfacefinancial.co.nz>
- Republic of Ireland <http://www.interfacefinancial.ie>
- Singapore <http://www.interfacefinancial.com.sg>
- United Kingdom..... <http://www.interfacefinancial.co.uk>

The Interface Financial Group recently commissioned the Franchise Research Institute to conduct an independent survey of franchisees to ascertain, on a confidential basis, what they thought about many different facets of their Interface franchise and their relationship with the franchisor.

Interface has, for many years, enjoyed the prestigious World-Class Franchise® certification by the Franchise Research Institute, a record we are justifiably proud of.

The results of that survey are now available in the form of a written report that can be downloaded from the FranSurvey website. If you are interested in obtaining a copy of this confidential survey, please go to www.interfacefinancial.com and click on the World-Class Franchise logo on the left – this will take you to the FranSurvey site and the report section.

If you would like to see videos about Interface and IFG network, you can go to YouTube and search using either The Interface Financial Group or IFG Network.



38. What Others Say

When asked what they like best about the Interface franchise, some of our franchisees said:

- *Their willingness to help. I can always reach someone who genuinely cares about my needs. I can ask questions regardless of their simplicity or complexity, without being made to feel inept or that I am bothering them.*
- *The ability to immediately generate profitable business.*
- *I have sufficient clients to keep my capital fully employed and, in fact, I could use more capital.*
- *The opportunity to be of service to small business owners, home-based, high quality company of integrity.*
- *I love IFG! Business is great; I did enough deals this year to provide enough income to support me for the year, including my school tuition (PhD program). It's given me the freedom and resources to finish school and be with my children.*

And when asked why they purchased Interface, some of them said:

- *Flexibility, limited startup costs, income potential.*
- *The professional nature of the franchise model, freedom of time, no employees, and return on investment.*
- *It fits my requirements of capital, experience, time, and income potential.*
- *It is a unique business idea and they do have experience in the market.*
- *Professional contacts, freedom of time, no employees, and home based.*

Equally important is what our clients say about the Interface system/service:

- *Thank you IFG. Your service has been an invaluable aid in getting my business off the ground and running. I've been met with nothing short of prompt, courteous, and efficient personnel.*
- *Your streamlined system for purchasing receivables couldn't be simpler. I look forward to doing business with The Interface Financial Group in the future.*
- *My construction business has never been able to readily obtain bank financing. Thanks to you (IFG) we were able to take on a major construction project. Your invoice purchasing helped me pay for materials and my workers on time until the GC paid us.*
- *Developing a strong working relationship with Interface has allowed me to stop worrying about cash flow. Any time I choose I can turn a portion of my receivables into cash. The process is very simple and straightforward.*
- *Interface always has provided funding exactly when agreed upon by both parties and, as discussed, no hidden items or fees.*
- *Working with Interface has been a true pleasure and an absolute blessing for our growing business. I will pass your name on to colleagues, but I just wanted to say thanks for all the hard work and effort you put toward helping us get to the next level. Thank You so much.*
- *I can't stress how important using Interface was for my business. IFG purchased my receivables and gave me cash flow almost immediately – I was able to meet a variety of needs, protect my credit and maintain good standing with my suppliers, while my business was able to continue to move forward and meet the next hurdle. All of this was accomplished at very reasonable rates.*
- *Using IFG's Invoice Discounting services over the past 6 months, I was able to get my cash flow under control and expand my business.*

As you work through your own validation process, we are sure you will also want to make some calls. If you would like to do so at this point in the process, below is the contact information for our Management Team.

Please remember, our offices are open standard business hours (usually 9am to 5pm) and these are the times during which you should be making these calls. If you get their voice mail, please leave your name, number, and the reason for your call – they will return your call promptly.

John Sheehy	Founder	Markham, ONT, Canada	800-387-0860 905-475-5701	john.sheehy43
George Shapiro	Chairman	Bethesda, MD, USA	301-299-2688	george.shapiro
David Banfield	President	Markham, ONT, Canada	800-387-0860 905-475-5701	renfrew245
Sabeen Ahmed	COO, IFG Network US	Bethesda, MD, USA	301-298-5232	sabeen-ahmed
Jan Cunningham	VP, Training & Marketing (US/Int'l)	Pagosa Springs, CO, USA	888-449-3779	jcunnin637
Tony Tinaglia	VP, Training (US)	Chicago, IL, USA	855-540-0049 847-540-0049	tony.tinaglia
David Hechter	Area Developer & COO, IFG Network AUST	Sydney, NSW, Australia	612 9327 7833	david.hechter
Hitesh Jethwa	Area Developer, AUST	Perth, WA, Australia	618 9403 0867	hitesh.jethwa
Chris Reid	Area Developer, NZ	Auckland, New Zealand	09 302 7704	chrisreid3
Paul Teahan	Area Developer, Ireland	County Meath, Ireland	01 8015527	paul.teahan1
Bruce Williams	Director of Sales & Marketing, UK	Tonbridge, Kent, UK	01732 769011	brucejw
Paul Barnsley	COO, IFG Network UK	Hagley, Worcestershire, UK	0156 222 8681	pbarnsley
David Pearce	Area Developer & Director IFG Network UK	Hagley, Worcestershire, UK	0156 222 8681	david.pearce97
Ian Christelow	Area Developer, UK	Bury St Edmonds, Suffolk, UK	1284 732270	waggers5009
Jackie Reeve	Area Developer, UK	Heathersett, Norfolk, UK	01359 220080	jackie.reeve2

39. What Next?

Having diligently reviewed this information document, you are now in possession of an extensive amount of data and background material relating to the Interface franchise opportunity and the Interface methodology. The information has been provided to you in confidence to help you assess if an Interface franchise is right for you.

In Section 9 we discussed The Ideal Candidate. We indicated that we look for potential franchisees, who possess the following skills, attributes and background:

- Excellent communication skills
- Decision makers & problem solvers
- Relationship builders
- Self-disciplined
- Solid business background

How do you score?

Your Skills & Background	Yes	No
<i>Do you have excellent communication skills?</i>		
<i>Do you see yourself as a decision maker and problem solver?</i>		
<i>Do you see yourself as an individual with an entrepreneurial outlook?</i>		
<i>Are you self-disciplined?</i>		
<i>Do you have a “been there and done that” background?</i>		

If you feel comfortable with what you have reviewed and have scored Yes 5 times, we should certainly pursue further discussions, and we invite you to contact us today.

If you have not already completed and submitted our Personal Data Questionnaire (PDQ), we request that you do so at this time. The PDQ form is on the following page. Simply print the page, complete the information, and fax it to us at 866-475-8688 (toll-free from US & Canada only) or 905-475-8688.

Alternatively you can call David T. Banfield at 800-387-0860 (toll-free from US & Canada only) or 905-475-5701, or contact him by email at dtb@Interfacefinancial.com.



PERSONAL DATA QUESTIONNAIRE

Name: _____

Address: _____

Daytime Telephone Number: _____ Cell/Mobile: _____

Email (Please Print): _____

Present Occupation/Business: _____

Position: _____ How Long? _____ (yrs)

Business Background (Previous 10 years): _____

What other franchise/business opportunities are you currently exploring? _____

If you are accepted as an Interface franchisee, how much working capital will you devote to your franchise?

\$/£/€ _____

What is your net worth? \$/£/€ _____

If you are accepted as an Interface franchisee, how soon are you prepared to commence business?

Within 1 month ___ Within 2-3 months ___ If longer than 3 months please specify _____

Please check which of the following applies to you:

- | | |
|--|--|
| <input type="checkbox"/> You enjoy working with people | <input type="checkbox"/> You are a self-starter |
| <input type="checkbox"/> Have excellent communication skills | <input type="checkbox"/> You are a problem solver |
| <input type="checkbox"/> Have empathy for small business | <input type="checkbox"/> You own your own business |
| <input type="checkbox"/> You have good business acumen | <input type="checkbox"/> You are a decision maker |
| <input type="checkbox"/> You have suitable financial resources | |

Are you a veteran? ___Yes ___No

Why do you feel that you could be a successful Interface franchisee? _____

Signature _____ Date _____

Send completed form to:
The Interface Financial Group – Head Office
180 Renfrew Drive, Suite 245 • Markham, Ontario, L3R 9Z2, Canada
Telephone 800.387.0860 (US & Canada only) or 905-475-5701 • Fax 866.475.8688 (US & Canada only) or 905-475-8688
Email – ifg@interfacefinancial.com
Website – www.interfacefinancial.com

Please note that we may require additional information at a later time.