

## The DiBari Group's Transaction Criteria

Our Venture Lease Group provides lease lines of credit to emerging growth companies financed by the venture capital community. At the highest level, we evaluate companies along four key dimensions: quality of the investor group, management team, market potential and business economics.

The specific domain, be it biotech, medical, enterprise software, storage systems, networking components, wireless telecom equipment or semiconductors, is less important. Below is The DiBari Group's transaction criterion for evaluating venture-backed companies:

### General Requirements:

- Lessee's equipment leasing requirements for the next twelve months would be between \$50,000 and \$5 Million. We would also be able to syndicate any portion beyond that amount under the same terms and conditions (please see section on required financial package for loan amounts above \$250,000).
- Please note: Short-term financing for loan amounts up to \$500,000 can be approved quickly **without warrants** through a simple credit application process requiring only the company D&B with bank and trade references. We also provide **free** consulting services to enhance a company's D&B rating if necessary in order to provide this financing at the lowest cost of capital.
- New and previously acquired equipment available for leasing would include the following categories: Manufacturing equipment, computers and workstations, telecommunications equipment, office furniture, software, cubicles, laboratory and test equipment, production and high-end telecommunications equipment and general office equipment. Later model equipment is better than older models.
- Soft collateral is generally, but not always, limited to 20-30% of cumulative takedowns. In other words, if the Master Lease Line is for a \$1,000,000 line of credit with no individual schedule to be less than \$50,000 then \$10,000-\$15,000 of each schedule of \$50,000 could be used to finance soft collateral. Should the schedule be \$100,000 then \$20,000-\$30,000 could be used to finance soft collateral.

## **Credit Requirements:**

Company should have the following:

- A minimum of 10-12 months of cash at current or projected monthly burn rate (i.e. monthly loss).
- Strong institutional venture capital investors (i.e. well-known, well-respected venture capital firms). The DiBari Group can get involved as early as the first round of financing from a VC provided the company has at least 10-12 months of cash. Angel or individual investors are more difficult to assess and therefore require more structuring. Typically an angel-backed deal would require a recognizable name (of the angel) with an excellent reputation, audited financials on prospective lessee, warrants and possibly extra cash deposits.
- Strong management team with a proven track record of success. While bright individuals are key to a company's success, we prefer to see people that have "done it before".
- Good collateral, described in the section on general requirements.
- Revenues are not always required, but do make for a stronger credit.

## **Financial Package Required:**

In order to facilitate and expedite the review of the proposal process, we would need the following information:

- A completed business plan containing information on management, directors/investors, market, product/services, and financial strategy.
- Any information available regarding equipment to be financed (vendor, model, description, cost, data sheets, projected delivery dates, or technical information).
- Offering memorandum from the most recent equity financing that includes Capitalization table, financial projections and the most recent internally prepared financial statements for the company.
- The last fiscal year-end audit report.
- A complete sets of product literature, press releases, and other media material.

Please let me know if you have any other questions. I look forward to working with you. As a group, our goal is to provide flexible business and financial solutions within a highly personalized service environment.