

## A Call for the Merchant Cash Advance Industry to Set Standards and Best Practices

### AdvanceMe, Inc. Publishes Industry White Paper Proposing Best Practices

**ATLANTA (June 29, 2007)** –AdvanceMe, Inc. (AMI), the nation's foremost provider of Merchant Cash Advances for small and mid-sized businesses, announces the release of an industry white paper entitled "[Know Your Customer, and Other Guidelines for Responsible Merchant Cash Advance Providers.](#)" This white paper is a call to the Merchant Cash Advance (MCA) industry to begin discussion regarding the creation of key standards and best practices that responsible MCA providers should follow.

#### Why the Need?

Small and mid-sized businesses need cash flow to survive. A Merchant Cash Advance is a valuable tool to help them better manage and grow their businesses. However, like any other powerful tool, if used incorrectly, it can do more harm than good.

As a long-time provider of this product, AdvanceMe has accumulated a significant amount of data suggesting that the Merchant Cash Advance industry needs to establish best practices for the provisioning of its products and the servicing of its clients. AdvanceMe believes that through best practices, the industry can ensure the healthy development of robust and ethical competition, as well as a level playing field, while providing a safe operating environment for the merchants, banks, acquirers, processors and associations that are impacted by this growing industry.

Merchants continue to report instances of a number of unscrupulous "funding" companies destroying their businesses with retrieval rates beyond their abilities to pay, increasing retrieval rates without permission, "dog piling" multiple MCAs on top of one another, and even outright fraud. These predatory companies taint the entire industry, and the product, and negatively impact and influence small business owners that could be well-served by an MCA.

"AdvanceMe believes that responsible MCA providers care about their merchants, as well as their partners, and strive to protect them and ensure their success," explains Glenn Goldman, chief executive officer of Capital Access Network, the parent company of AdvanceMe, Inc. "We have taken a stand in the hope that the industry will come together to set a high level of expectation for the benefit of all. This white paper serves as an invitation to the MCA industry to begin that discussion."

The White Paper calls for creating Best Practices organized around certain "Best Practice Axioms" such as "Do Not Harm the Merchant Customer," and "Do Not Harm the Industry." "Responsible funding means knowing your customer and using commercially reasonable efforts to ensure that your funding does not harm the merchant's business. Every business has a maximum percentage of its gross revenues that it can afford to pay each month against any financial obligation (the "Safe Retrieval Percentage"). If the merchant has to pay more than that percentage, it risks going out of business," says Goldman, quoting the White Paper.

AMI also announced today that it is willing to share some of the extensive data it has collected during the past 10 years of offering MCA to the small business community – as part of the broader effort to prevent abusive practices in the MCA industry. "We stand prepared to share some of the important information we have learned concerning issues important to other responsible MCA providers," notes Goldman. "The creation of a Best Practice regime in the MCA industry should also include risk mitigation and fraud prevention aspects as is common in other aspects of the financial services and electronic payments industries, and is consistent with the evolution of our industry into a responsible and integral part of the small business capital landscape."

An electronic version of both the White Paper as well as this document may be found on AdvanceMe's website at [www.AdvanceMe.com](http://www.AdvanceMe.com) as well as [www.MCABestPractices.com](http://www.MCABestPractices.com) or by emailing [dnaczi@AdvanceMe.com](mailto:dnaczi@AdvanceMe.com).

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#### About AdvanceMe, Inc.

AdvanceMe, Inc. in Kennesaw, GA is the nation's leading provider of Merchant Cash Advances to small and mid-sized businesses. Since 1998, AdvanceMe has made more than 40,000 advances, providing almost 20,000 business owners in all 50 states with close to \$1 Billion dollars in working capital. Owners use AdvanceMe capital to renovate, purchase new

equipment and supplies, fund advertising, manage unexpected expenses and seasonal downturns and free themselves from second mortgage liens and personal guarantees associated with loans. For more information about AdvanceMe's innovative working capital solution, call toll-free 1-866-700-6486 or visit [www.AdvanceMe.com](http://www.AdvanceMe.com).

#### **About Capital Access Network**

[Capital Access Network, Inc.](http://www.CapitalAccessNetwork.com) (CAN) serves the small business market through its wholly owned subsidiaries. CAN is engaged in the business of generating and maintaining high yielding short-term assets by leveraging leading edge data, systems and technology that is married to a unique, highly effective collection methodology. Founded in 1998, CAN currently employs 300 people in five main locations in New York, Georgia, Massachusetts, Minnesota and Costa Rica.