



NEW BROKER SIGNUP KIT

Review the following documents and complete the steps required to become a registered broker with IOU Financial.

Letter from the President

Dear prospective IOU Financial Broker,

Thank you for your interest in IOU Financial. As you probably know, we have a reputation for outstanding customer service, quick and dependable underwriting, an excellent product for retail/merchant customers and last but not least, the best renewal program in the industry.

One of the things that ensures our process runs smoothly, is a quality broker onboarding process. In the pages that follow you will find information about our loan product that guide you to quickly identify IOU Financial opportunities. Use them to familiarize yourself with our product and educate your staff as well.

Our mission is to *fuel the growth of small business*. In doing so, we don't want merchants to become over-extended or their growth encumbered by excessive debt. Each of our loan offers are carefully calculated to ensure the merchant doesn't get over-extended, borrowing more than their cash-flow can afford. This is very important to know when comparing our loan amounts to those of our competitors.

This brings us to the 3 key expectations we have for our brokers:

- Understand our loan product and send us loans that fit. Sending us loans that are contrary to our product only delays funding for your client.
- When you submit a loan to IOU Financial, we assume if we approve it, you will work to sell it to the merchant. Please ensure your pull-through rate is at least 50% (loans accepted and closed / loans approved as requested)
- Once you have a loan with IOU Financial, don't stack another on top of it.

Brokers are the backbone of the industry and an important part of our business. We look forward to you completing our onboarding process, and I look forward to building a long standing, mutually profitable relationship.

Robert Gloer
President and COO
IOU Financial, Inc.

What's Included?

Why IOU Financial

What we offer in technology, speed and approvals.

Loan Program Basics

Information on business requirements, loans, & what to submit.

Restricted Industries List

Industries IOU Financial is not able to fund loans.

New Broker Sign Up Instructions

Step by step, what must be submitted to become a certified broker.

Documents to be Completed & Returned

The following documents need to be signed to complete your registration & begin funding loans with IOU Financial.

- [Broker Agreement](#)
- [W-9](#)

Broker Agreement

This Broker Agreement ("the Agreement") is made and effective as of _____ (DATE), by and between IOU Central Inc., a Delaware corporation, with offices at 600 TownPark Lane Suite 100, Kennesaw, GA 30144 doing business as IOU Financial ("IOU"), and _____ (LEGAL NAME)

("Broker"), a corporation with offices at: _____

(BUSINESS ADDRESS).

WHEREAS, IOU is in the business of making non-consumer, commercial purpose loans to businesses.

WHEREAS, Broker desires to act as an independent contractor to solicit businesses ("merchants") who may be interested in loans offered by IOU.

WHEREAS, Broker shall not be the only or exclusive broker for IOU and IOU may, at its sole discretion, retain the services of other brokers.

NOW, THEREFORE the parties agree as follows:

1. **Broker's Obligations.** Marketing: Broker will use its best efforts to market and promote loan products offered by IOU to prospective merchants that Broker believes will meet IOU's underwriting guidelines. Broker shall present to each Merchant only IOU branded marketing and promotional materials that have been provided by IOU or approved by IOU in advance in writing. Under no circumstances shall Broker have any right, in the course of carrying out its obligation hereunder, to offer or present any IOU branded marketing or promotional material (printed, electronic or otherwise) to any Merchant that has not been supplied by IOU or approved in advance in writing by IOU. IOU branded marketing materials includes, without limitation, any logo, trademark, or mark, of any kind of IOU or of any of its affiliates.

Portal Access: Broker will refer prospective merchants to the IOU website where merchants (or broker on merchant's behalf) will complete an online loan application and Broker will assist Merchants in completing and submitting to IOU credit applications in a form acceptable to IOU (each, a "**Credit Application**").

Supplemental Information and Cooperation: Broker shall also be responsible for collecting all supplemental information that is required by IOU to render a credit decision, process the Credit Application or fund and/or monitor the merchant's loan account. If Broker is unable to collect sufficient documentation relating to Merchant's Credit Application. Withdrawn applications and declined applications are not protected by any future submission by other brokers or by merchant in the future.

Cooperation: Broker and each Merchant will cooperate with IOU and shall comply in full with any requirements set forth in the rules and policies of IOU as they may exist from time to time.

- 2. IOU Obligations.** IOU will evaluate and, at its sole discretion, accept or deny such Credit Applications. If IOU should elect to accept a Credit Application from a Merchant procured solely and exclusively by Broker then Broker's qualified referral of the Credit Application shall be protected for a period commencing thirty (30) days from the date that the Merchant's application was submitted. If the Merchant accepts the terms offered, IOU shall provide Merchant with IOU's loan documentation, which will include a commercial loan agreement and may include one or more personal guaranties and/or a security agreement (together, a "Business Loan Agreement") and/or any other documentation or agreement IOU may deem necessary. Upon execution of a Business Loan Agreement and funding of Merchant's account, IOU shall provide any compensation owed to Broker as prescribed below.
- 3. Broker Compensation.** In consideration for the services rendered by BROKER hereunder, IOU agrees to compensate Broker with respect to Merchants who are not currently a borrower of IOU, (a "New Loan") when (a) such Merchant has entered into a Business Loan Agreement in a form prescribed by IOU as a direct result of the sole and exclusive referral by Broker, and (b) Broker otherwise performs its duties and responsibilities in accordance with this agreement. Subject to the foregoing, compensation shall be processed via ACH the Monday (Tuesday if Monday is a Canadian or USA Bank holiday) following the merchant(s) fully accepted, executed and funded, loan documentation. If a Merchant is referred to IOU by Broker but does not execute a Business Loan Agreement within thirty (30) days from the date that the Merchant's credit report is pulled (completed application), the Broker forfeits its right to receive compensation with respect to that Merchant. Subject to the foregoing, the Broker's compensation schedule shall be set forth in Schedule A attached hereto. United States based Brokers compensation is reported to the IRS on form 1099. By completing your application and signing this document by clicking "Sign", your completing and signing IRS form W-9 (W-9) and confirming that all information you have provided is complete and correct. Under penalties of perjury, I certify that: 1. The number shown on this form is my correct taxpayer identification number; and 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and 3. I am a U.S. citizen or other U.S. person as defined on page 2 of IRS form W-9. If you are subject or exempt from FACTA reporting, it is the Broker's responsibility to provide a replacement W-9 with the proper exemption code and FACTA number. In the event of any information change by the Broker (corporate structure, address change, etc), the Broker is responsible for providing a replacement W-9 to IOU. All replacement W-9 forms must be provided to IOU by December 31 in the year of the change.

4. **No Authority to Bind IOU.** Under no circumstances shall Broker represent that it has any right to accept or decline a Credit Application nor shall it hold out or represent to any Merchant or other third party that it has the right to modify in any way or accept any Business Loan Agreement or otherwise bind IOU legally. No agreement made by or through Broker or any Broker Parties shall be legally or otherwise binding on IOU until accepted by a duly authorized officer of IOU.
5. **Broker Identification.** In the course of carrying out its obligations hereunder, Broker shall clearly identify itself with its own corporate name. Broker agrees that its actions and the actions of its shareholders, directors, officers, employees, affiliates, consultants, representatives, Brokers, associates or independent contractors (collectively, "Broker Parties") under or in connection with this Agreement shall be governed, controlled and directed by, and shall be in full compliance with, the terms hereof and shall at all times and in respect of all parties and third parties be construed as actions taken by Broker subject to the terms hereof. Broker shall be responsible to ensure that all Broker Parties are adequately trained to perform hereunder and conform to all of the provisions hereof. Broker covenants that Broker Parties shall abide by the obligations of Broker set out in this Agreement.
6. **Access to IOU Portal.** IOU may, in its sole discretion, elect to provide Broker with access to IOU's web delivered Broker portal (the "Web Portal"). The Web Portal will permit Broker to (a) submit new Credit Applications on behalf of Merchants and receive real-time qualified credit decisions from IOU, (b) submit additional documentation as may be required by IOU, (c) track and monitor the progress of processing Merchant Credit Applications, (d) communicate with IOU staff and (e) retain a record of Merchant activity with IOU and Broker Compensation. Access to the Web Portal may be restricted by IOU at any time for any reason whatsoever.
7. **Compliance with Laws.** In performing the services hereunder, Broker shall comply with all applicable local, state and federal laws, rules and regulations including, without limitation, fair lending, licensing, privacy, disclosure, and the Equal Credit Opportunity Act and its implementing Regulation B. The parties agree that IOU is under no obligation to monitor Broker's performance or compliance with this Agreement.
8. **Prohibitions against Tied Selling and Additional Fees.** Broker may not charge the borrower any fees or sell the borrower any goods or services in relation to or as a condition of the procurement of a loan with IOU.
9. **Fair Credit Reporting.** Broker acknowledges that IOU is not a "consumer reporting agency" as defined by the FCRA and that IOU does not intend to communicate any information that would be deemed to be a "consumer report" within the meaning of 15 U.S.C. 1681a(d). Broker shall take no action which would cause, or fail to take action which is necessary to prevent, IOU from being a "consumer reporting agency" within the

meaning of FCRA.

10. Licensing. Broker represents and warrants that Broker and any Broker Parties acting on Broker's behalf hereunder: (a) have obtained and hold all applicable licenses, registrations and permits (the "Licenses") issued by governmental regulatory authorities needed to act as a sales Broker hereunder and that all such Licenses are currently in full force and effect; and (b) are in good standing with and have satisfied all requirements imposed by the License- issuing governmental regulatory authorities.

11. Mutual Representation and Warranties. Each party hereto represents and warrants to and for the benefit of the other party that as of the date hereof and during the term hereof:

- (a) it is validly existing and in good standing under the laws of the State where its principal office is located;
- (b) it has full authority and corporate power to enter into this Agreement and to perform its obligations under this Agreement;
- (c) its performance of this Agreement will not violate any applicable law or regulation or any agreement to which it may now be bound;
- (d) this Agreement represents its valid obligation and is fully enforceable against it; and
- (e) it is not a party to any pending litigation that would have an impact on this Agreement.

12. Broker Representations and Warranties. Broker represents and warrants to IOU as follows:

- (a) to the best of Broker's knowledge and belief, none of the Merchants are subject to any current bankruptcy proceeding or any other litigation; the Merchants are, or will become if the Credit Application is approved by IOU, the true and only obligors on the loan, are the real parties in interest and are not "fictitious", "straw persons" or representatives of another person, group or organization as to all or any part of the loan;
- (b) after reasonable inquiry, to the best of Broker's knowledge and belief, all signatures, names, addresses, amounts and other statements appearing in the Credit Application and any supplemental information obtained by Broker are genuine, true and correct and do not omit any material information;

- (c) all Credit Applications submitted to IOU comply with all procedures and requirements which IOU has provided to Broker from time to time; Broker to obtain authorizations from Applicant and Guarantor(s). Broker agrees to obtain, as part of the Borrower Information gathered from a Loan applicant, and Loan Applicant's Guarantor(s), the applicant's and Guarantor(s)' express written authorization permitting IOU to obtain credit report information on the business Loan applicant and consumer report information on the Guarantor(s). Broker is to provide and retain a copy of executed merchant authorizations.
- (d) Broker is not aware of any fact or circumstance regarding the Merchant or the collateral or otherwise which IOU might reasonably believe to be adverse to the approval of the Credit Application and which is not contained in the Credit Application, and if Broker becomes aware of any such fact or circumstance, Broker shall promptly notify IOU; and
- (e) Broker is not aware of any information relating to the Merchant as to whether the Merchant currently has pending or intends to prepare and submit any merchant loan applications to any other lender or financing source within 30 days of the date of the Merchant's application is submitted to IOU.

13. Covenants of Broker. Broker covenants that during the term hereof and during any survivability period thereafter, it shall:

- (a) comply with any and all policies and guidelines established by IOU;
- (b) immediately inform IOU of any changes that become known to Broker in the address, ownership or business or operations of itself or of any Merchant;
- (c) not use any marketing or promotional materials relating to IOU or the loans without prior written consent from IOU, including, without limitation, any logo, trademark or mark of any kind of IOU or any of its Affiliates;
- (d) will not advertise that IOU offers the "lowest" rates available or similar language; and
- (e) be solely responsible for any and all expenses incurred by Broker in the performance of services hereunder including, but not limited to, expenses related to any Broker Parties.

14. Term and Termination. The term of this Agreement shall begin on the date appearing on the first page hereof and will continue for an initial term of six months (the "**Initial Term**"). After such Initial Term, this Agreement shall automatically renew for successive six-month terms (each, a "**Renewal Term**") unless terminated by either party upon 30 days written notice prior to the end of the current Renewal Term. IOU may terminate this Agreement

at any time with or without cause upon five days prior written notice; provided, further, that this Agreement may be terminated immediately by IOU upon breach by Broker of any of its obligations hereunder or for fraud. Broker shall have no right to compensation on any loans in the event Broker is terminated by IOU.

15. Non-Solicitation. The parties agree that throughout the term of this Agreement and for a period of two years thereafter, neither Broker nor any of the Broker Parties, nor any of their respective affiliates shall induce or attempt to induce any of the current officers or employees of IOU or any of its Affiliates to leave the employ of, or otherwise terminate their relationship with, IOU.

16. Remedies. Broker acknowledges that IOU would be irreparably damaged if any of the provisions of this Agreement are not performed by Broker in accordance with their specific terms and that IOU is entitled to an injunction or injunctions to prevent breaches of this section by Broker. Without limiting the foregoing, in the event of a breach of this Agreement by Broker or any Broker Party, IOU shall be entitled to apply to a court of competent jurisdiction for an injunction to restrain such breach, without the need for bond, and IOU shall have no obligation to make any further compensation or other payment to Broker that might otherwise come due after such breach; provided that Broker does not cure the breach within ten (10) calendar days after notice thereof. Any remedies hereunder shall be in addition to any other remedies available to IOU in law or in equity.

17. Assignment; Amendments. Broker may not assign any right or obligation under this Agreement to any third party without the prior written consent of IOU, including any assignment by virtue of a sale of Broker's business. IOU may assign its rights and obligations hereunder with notice to Broker. This Agreement shall inure to the successors and permitted assigns of the parties hereto.

18. Confidential Information. Each party acknowledges that it may directly or indirectly disclose Confidential Information to the other party in the course of negotiation of and performance of this Agreement. All such Confidential Information disclosed hereunder shall remain the sole property of the disclosing party (or other third party), and the receiving party shall have no interest in, or rights with respect thereto, except as set forth herein. Each party agrees to treat such Confidential Information with the same degree of care and security as it treats its most confidential information. Each party may disclose such Confidential Information to employees and Brokers who require such knowledge to perform services under this Agreement. Except as otherwise contemplated by this Agreement, neither party shall disclose the Confidential Information of the other party to any third party without the prior written consent of the disclosing party, and the duty of confidentiality created by this section shall survive any termination of the Agreement. **"Confidential Information"** means all proprietary, secret or confidential information or data relating to either party and its affiliates, operations, employees, products or services, Merchants, customers or potential customers. Confidential Information shall include

customer lists, card member account numbers, pricing information, computer access codes, instruction and/or procedural manuals, and the terms and conditions of this Agreement. Information shall not be considered Confidential Information to the extent, but only to the extent, that such information is: (i) already known to the receiving party free of any restriction at the time it is obtained; (ii) subsequently learned from an independent third party free of any restriction and without breach of this Agreement; (iii) or becomes publicly available through no wrongful act of the receiving party; (iv) independently developed by the receiving party without reference to any Confidential Information of the other; or (v) required to be disclosed by law.

19. Notices. Unless otherwise specified herein, any notices or other communications required or permitted hereunder shall be sufficiently given if in writing or electronic mail to the address of IOU or Broker set forth on the signature page to this Agreement. IOU reserves the right to send marketing materials and electronic mail to any and all merchants, affiliates, Brokers, or other representatives supplied by Broker for the purposes of communicating product and company news and information and requests for information.

20. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia (without regard to its principles of conflicts of laws) whose courts shall have sole jurisdiction over disputes arising hereunder. **The parties hereto agree that issues arising hereunder are too complex to be addressed by a jury and covenant to elect for a non-jury trial in the event of a trial relating hereto.** The parties agree that any dispute arising out of this Agreement will be submitted to any court sitting in Cobb County, Georgia, and each of them hereby submits to the jurisdiction of such courts for such purpose. The prevailing party shall be entitled to recover its reasonable attorneys' fees and costs, including expert witness fees and fees on any appeal.

21. Whole Agreement. This Agreement, including all schedules, exhibits and attachments hereto, sets forth the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein, and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written by any officer, partner, employee or representative of any party hereto. No amendment or modification to this Agreement, nor any waiver of any rights hereunder, shall be effective unless assented to in writing by both parties. Nothing in this Agreement, express or implied, is intended to confer or shall be deemed to confer any rights or remedies upon any persons or entities not parties to this Agreement.

22. Relationship of Parties. IOU and Broker are independent contractors hereunder and their relationship shall not be construed as any form of employer/employee relationship, joint venture or partnership. IOU intends no contract of employment, express or implied, with either Broker or any Broker Party and neither Broker nor any Broker Party has obtained any right to employment or compensation as an employee or any other

benefits of an employee by way of this Agreement. Broker agrees that it shall be solely responsible for the purchase and maintenance of employment or workers compensation insurance coverage related to its employees and that IOU shall have no responsibility for any such liabilities.

23. Limitation of Liability; Indemnification. Broker agrees that IOU's liability to Broker or to any Broker Parties for any actions, claims, demands, losses, liability, or expenses (including court costs and reasonable attorney's fees) (collectively, "**Losses**") arising out of or relating to this Agreement shall be limited to direct damages attributable to IOU's gross negligence or willful misconduct. Notwithstanding the foregoing, in no event shall IOU be liable hereunder for any punitive, liquidated, indirect, consequential, exemplary or incidental damages (including damages for loss of business profits, business interruption, loss of business information, and the like) or lost profits, even if IOU has been advised of the possibility of such Losses. Broker agrees to indemnify, defend and hold IOU harmless from and against any and all Losses arising directly or indirectly from this Agreement; provided, however, that Broker shall not be obligated to indemnify IOU for direct damages attributable to IOU's gross negligence or willful misconduct. The provisions of this Section 23 shall survive termination of this Agreement.

24. Criminal Background Check. Within five business days after a request from IOU, Broker will (a) provide a list of all directors and officers of Broker and (b) obtain written consent sufficient for IOU to conduct a criminal background check on any such directors and officers.

25. Survival. The following provisions of this Agreement shall survive the termination or expiration of this Agreement (in addition to (a) any liability arising under this Agreement prior to such termination or expiration and (b) any other provisions of this Agreement that are stated to, or which by their terms or nature would be expected to, survive any expiration or termination of this Agreement), and shall continue in full force and effect following such termination or expiration: Sections 9, 12, 13, 15, 16, 18, 19, 20, and 23.

26. Severability. If any provision hereof is for any reason determined to be invalid, such provision shall be deemed modified so as to be enforceable to the maximum extent permitted by law consistent with the intent of the parties as herein expressed, and such invalidity shall not affect the remaining provisions of this Agreement, which shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

Broker:

Name of company

Per: _____
Name of person signing for company Title

By clicking "Sign" on the broker application page(s), – I attest I have the authority to bind the company/corporation:

Name and Timestamp as Signature: _____

Address _____

City/State: _____

Telephone: _____

Email: _____

Schedule A - Broker Compensation

This Broker compensation schedule sets out the terms of payment of compensation under the Broker's Agreement. In the event of any discrepancy between the terms of this Schedule and the Agreement, the Agreement shall prevail. Subject to the terms of the Broker's Agreement, IOU shall compensate Broker as follows:

Max Upsell Commission Table

Loan Term	New & Renewal Loans
6 month	Up to 5.00%
9 month	Up to 8.00%
12 month	Up to 12.00%
15 month	Up to 10.00%
18 month	Up to 10.00%

New Loans: A loan to a merchant – whereby the merchant doesn't currently have a loan with IOU.

Renewal Loans: Defined as a refinance of an IOU loan with a remaining outstanding balance.

NOTE for Brokers doing business across US / Canada border: It is important to note commissions are paid in the domestic currency of the merchant receiving the loan. Commission will be paid via ACH / ETF into your bank account, where your bank will convert into the domestic currency of your brokerage if applicable. IOU is not responsible for any fees your bank charges for foreign currency exchange.

IOU retains the right to change broker compensation at any time with 30-day prior written notice.

Request for Taxpayer Identification Number and Certification

Give form to the
requester. Do not
send to the IRS.

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name, if different from above	
	Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶	
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
	List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
or
Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). Check the "Limited liability company" box only and enter the appropriate code for the tax classification ("D" for disregarded entity, "C" for corporation, "P" for partnership) in the space provided.

For a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line.

For an LLC classified as a partnership or a corporation, enter the LLC's name on the "Name" line and any business, trade, or DBA name on the "Business name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
2. The United States or any of its agencies or instrumentalities,
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,
7. A foreign central bank of issue,
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
9. A futures commission merchant registered with the Commodity Futures Trading Commission,
10. A real estate investment trust,
11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
12. A common trust fund operated by a bank under section 584(a),
13. A financial institution,
14. A middleman known in the investment community as a nominee or custodian, or
15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 7 ²

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt payees, see *Exempt Payee* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ³
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
For this type of account:	Give name and EIN of:
6. Disregarded entity not owned by an individual	The owner
7. A valid trust, estate, or pension trust	Legal entity ⁴
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

Call the IRS at 1-800-829-1040 if you think your identity has been used inappropriately for tax purposes.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS personal property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.consumer.gov/idtheft or 1-877-IDTHEFT(438-4338).

Visit the IRS website at www.irs.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.