

Franchise Dealer Enrollment Package

The following documents are required for Franchise Dealer enrollment into the Flagship Financial Group LLC ("Flagship") Dealer Network. This checklist and documents requested are to ensure all the information provided to Flagship is valid and accurate.

If you have any questions, please contact your Area Sales Manager or Dealer Relations at dealer.relations@flagshipfinancial.com or 800-707-0114.

DEALER ENROLLMENT PACKAGE CHECKLIST

- ☐ Dealer Profile
- ☐ Fair Lending Policy Acknowledgement
- ☐ ACH Form
- ☐ Voided Check or Bank Letter
- ☐ Current Dealer License
- ☐ Current Business License
- ☐ All Other Licenses Required to Conduct Business
- ☐ Articles of Incorporation
- ☐ Agreement for Entitlement Form (California Only)
- ☐ W9 Form
- ☐ Master Dealer Agreement

- All enrollment packages must be complete prior to submission for management review.

Franchise Dealer Enrollment Package

DEALER PROFILE

DEALERSHIP INFORMATION				
Legal Name				
DBA				
Physical Address				
City	State	ZIP Code	Title Method: <input type="checkbox"/> Electronic/Online <input type="checkbox"/> Manual/Paper Filing	
Main Phone	Main Fax		Website	
Dealertrack ID		RouteOne ID		CUDL ID
Franchise Brands Sold			Years In Business For Current Ownership	Years at Location
Corporate Address (if different from physical)			Additional Addresses of offsite inventory locations	

DEALERSHIP OWNERSHIP			
	Name	Title	Ownership %
Dealer Principal			
Dealer Principal			
Dealer Principal			
Dealer Principal			
Dealer Principal			

	Name	Telephone Number	Email	Years at Dealer
General Mgr				
General Sales Mgr				
F&I Director				
Finance Mgr				
Finance Mgr				
Special Finance				
GAP/Aftermarket				
Titles				
Controller				

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VOLUME			INVENTORY
Units SOLD/mo:	New	Used	
Units FINANCED/mo:	New	Used	
Floor Plan Co and Credit Limit			Floor Plan Contact/Email
Floor Plan Co and Credit Limit			Floor Plan Contact/Email

ADDITIONAL LENDING SOURCES		
Lending Institution	Prime loans/mo	Non-prime loans/mo
Lending Institution	Prime loans/mo	Non-prime loans/mo
Lending Institution	Prime loans/mo	Non-prime loans/mo
Lending Institution	Prime loans/mo	Non-prime loans/mo
Lending Institution	Prime loans/mo	Non-prime loans/mo

*Prime is defined as loans with a credit score of over 680. Non-prime is defined as loans with a credit score under 680.

FLAGSHIP FINANCIAL GROUP LLC USE ONLY- ADDITIONAL GUARANTY(S) IF APPLICABLE			
Additional Docs	Y/N	Associated Dealer Name/Group	Confirmed by:
Cross Corporate Guaranty			
Personal Guaranty			
Multi Master Dealer Agreement			

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Flagship's Fair Lending Policy

Promoting a fair, equitable, and nondiscriminatory auto lending market is a priority for Flagship Financial Group LLC ("Flagship"), as we know it is for you. It also continues to be a top priority for Flagship's principal federal regulator – the Consumer Financial Protection Bureau ("CFPB") – as well as our state regulators. In keeping with this spirit, and to support a fair lending environment, Flagship would like to take this opportunity to remind you of our fair lending policy and practices, as well as our expectations of dealers regarding the training of its employees on this important topic. Consistent with federal and state laws and regulations, it is Flagship's policy and expectation that our dealers not discriminate against any applicants or customers on a prohibited basis when marketing Company products and services, taking and analyzing applications, granting credit, or servicing and collecting accounts. This applies in all stages of a credit transaction. As the CFPB regularly reminds us, this prohibition includes the impact of "markup" or "participation" practices.

In response to the regulatory environment, we have expanded our policy to include additional prohibited bases, as detailed below. We request that you adjust your fair lending policy and training accordingly.

Training Expectations

Flagship expects that its dealers communicate Flagship's policy on fair lending to its employees, including but not limited to Flagship's policy on state-specific prohibited categories of discrimination listed below. Flagship also expects that its dealers regularly provide comprehensive fair lending training to its employees involved directly with granting, denying or setting the terms of credit.

Handling of Protected Income

When obtaining income information from applicants, you should investigate all sources of their income to determine if any or all income obtained is from a non-taxable source. If any portion of the applicant's or co-applicant's income is derived from a non-taxable source, you are responsible for applying the appropriate gross up factor of 25% to the non-taxable portion of the income, prior to submitting the application to Flagship.

Compliance Monitoring

As part of Flagship's fair lending and compliance program, we will conduct periodic self-monitoring reviews to identify possible disparities which disfavor the below-mentioned protected groups. Flagship will conduct its self-monitoring using, as best we are able, the same methodology as the CFPB would use in performing its examination. Specifically, we will be monitoring our data for any disparities in markup that may suggest that they were used in a way that disfavors "protected classes." In doing so, we are mindful that we will not have access to all the retail installment contracts you have entered into and are aware that what we see in our data is not necessarily indicative of a fair lending violation or lack thereof. To the extent we do see issues in our data, we will work with you to attempt to address those issues in the future.

Prohibited Basis

Prohibited basis means race, color, religion, national origin, sex, marital status, or age (provided that the applicant has the capacity to enter into a binding contract); the fact that all or part of the applicant's income derives from any public assistance program; or the fact that the applicant has, in good faith, exercised any right under the Consumer Credit Protection Act.

State laws, including but not limited to New York Executive Law §296-a, provide for additional prohibited bases. It is Flagship's policy not to use any prohibited basis or any other factor not directly relevant to the Company's decisions. These include, but are not limited to, the following additional state protections:

Creed	Genetic information	Hair or hairstyle
Disability	Pregnancy	HIV or AIDs status
Sexual orientation	Political affiliation	Marital or partner status
Military status	Ancestral group	Medical condition
Familial status	Arrest or conviction record	Place of birth
Gender identity or expression	Caregiver status	Political affiliation or beliefs
Victim of ID theft	Domestic violence victim status	Veteran status

Joint Applicants

Under the Equal Credit Opportunity Act and federal Regulation B, a person's intent to be a joint applicant must be evidenced at the time of the application. Signatures or initials on a credit application affirming applicants' intent to apply for joint credit may be used to establish intent to apply for joint credit. Please remember to require joint applicants to indicate their intention to apply jointly on electronic or paper and ink credit applications.

Dealer Agreement

In addition, we would like to remind you of these three important representations and warranties of your dealer agreement with Flagship, which relate to fair lending and other regulatory risk:

- The Cash Price of the Vehicle as shown on the Contract is the "Cash Price" as defined by applicable law, and was not increased because the Vehicle is being sold in a credit transaction or to pay for any negative equity on a vehicle being traded-in or sold to the Dealer, nor was it increased because the Vehicle is being sold to a member of a protected class as defined under applicable state or federal law.

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- The purchase price of the Vehicle stated on any Contract represents the fair retail market value of such Vehicle and has not been overstated or inflated in any way.
- Dealer does not charge Buyer for filing fees or other costs paid by Dealer to public officials to perfect Flagship's security interest in the Vehicle, except where allowed by law, nor does Dealer make any type of charge, including documentary or processing charges, which Dealer does not make in any other cash transaction and unless it is allowed under applicable law.

Risk Based Pricing Rule

We would also like to remind you that the law requires that you provide a risk-based pricing notice ("Notice") to certain customers prior to the consummation of the retail installment contract or other applicable credit agreement. While we do not currently require a copy of the Notice with our funding package, we are occasionally asked by regulators or other parties to obtain it from you. In that case, we would seek your prompt cooperation. If you prefer, we could avoid such requests if you would include the Notice with the other documents you submit. Regardless, please keep evidence of compliance, including a copy of the Notice delivered to each customer.

For more information about compliance with the Risk-Based Pricing Rule, consult with your legal team or see: <https://www.ftc.gov/business-guidance/resources/using-consumer-reports-credit-decisions-what-know-about-adverse-action-risk-based-pricing-notices>.

If you have any questions, please reach out to vendormanagement@flagshipcredit.com.

By signing these pages, you certify that you have read and understand the terms and disclosures of this policy.

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Authorization Agreement for Automatic Deposits (ACH)

DEALERSHIP INFORMATION	
Legal Name	
DBA	
Funding Contact Name	Email
Phone	Fax

I hereby authorize Flagship Financial Group LLC to initiate credit entries (and/or debit entries, if necessary for corrections, unwinds, or reversals) electronically, by paper means or by any other commercially accepted method to the checking account indicated below and the financial institution named below, to credit and/or debit the same to such account.

FINANCIAL INSTITUTION			
Institution Name			
Street	City	State	Zip
ROUTING NUMBER			
ACCOUNT NUMBER			

This authority is to remain in full force and effect until Flagship Financial Group LLC has received written notification from us of its termination in such time and such a manner as to afford Flagship Financial Group LLC and the Financial Institution reasonable opportunity to act on it.

PLEASE ACCOMPANY THIS FORM WITH A BANK ISSUED DOCUMENT WHICH VERIFIES THE ABOVE ROUTING & ACCOUNT NUMBERS.

AUTHORIZED BY:			
Name	Signature	Title	Date

AGREEMENT FOR ENTITLEMENT TO REFUND, DEDUCTION OR CREDIT PURSUANT TO CALIFORNIA REVENUE AND TAXATION CODE SECTION 6055 AND 18 CCR 1642

1. **Definitions.** The following capitalized terms shall have the meaning ascribed to each as follows:

- a. **"Retailer"** means _____ (Dealer's full legal name),
located at _____ (physical and mailing address)
and all its subsidiaries, affiliates and assignees. The Retailer's California seller's permit is _____.
- b. **"Lender"** means **FLAGSHIP FINANCIAL GROUP LLC**, located at 225 Wilmington-West Chester Pike, Suite 200-220, Chadds Ford PA 19317, and all of its subsidiaries, affiliates and assigns. The Lender's account number is [_____]. If the Lender has not applied for a Certificate of Registration, the Lender agrees that it will apply for a Certificate of Registration no later than the date that it first claims a deduction or refund for bad debts charged off on the Accounts.
- c. **"Accounts"** means any and all accounts and contracts created between the Retailer and its retail customers with respect to the purchase of tangible personal property which is subject to California sales tax, which accounts are, have been or will be assigned directly from Retailer to Lender.

2. **Blanket Assignment of Retailer's Rights and Interests in Accounts.** Retailer and Lender agree that all of the rights and interests of the Retailer in any and all Accounts, including the right to claim sales tax refunds, deductions or credits, are irrevocably assigned, transferred and relinquished to the Lender.
3. **Entitlement to Tax Refund or Deduction on Accounts.** The Retailer and the Lender agree that the Lender is the party entitled to claim any potential sales tax refunds or deductions as a result of bad debt losses charged off by the Lender on any and all Accounts currently existing or created in the future which have been assigned from the Retailer to the Lender. The Retailer agrees that they have not and will not claim a deduction or refund with respect to any Accounts currently existing or created in the future and hereby relinquishes to the Lender all rights to the Accounts and all rights to claim such deductions or refunds.
4. **Election Pursuant to Section 6055(B)(4) California Revenue and Taxation Code.** Retailer and Lender hereby make an irrevocable election pursuant to section 6055(b)(4), California Revenue and Taxation Code, that designates and entitles Lender (and not the Retailer) to claim the deduction or refund provided under section 6055(b) with respect to any Accounts found worthless and charged off for income tax purposes. The effective date of this election is the date in which the Retailer commences doing business with the Lender.
5. **Payment of Sales Tax.** Retailer represents and warrants that it has reported or shall report the tax on the sale of property with respect to the Accounts.
6. **Confidentiality.** Retailer and Lender acknowledge that the California State Board of Equalization may disclose relevant confidential information to all parties involved in order to evaluate, support and confirm the deductions or refunds claimed pursuant to Section 6055, California Revenue and Taxation Code.
7. **Documentation.** Retailer and Lender agree to furnish any and all documentation required or requested by the California State Board of Equalization that is necessary to support the claim for deduction or refund filed by the Lender.
8. **Term.** This election may not be amended or revoked unless a new election, signed by both the Retailer and Lender is filed with the California State Board of Equalization.
9. **Filing of Election.** Lender and Retailer agree that the Lender shall file this Agreement as an election with the California State Board of Equalization pursuant to Section 6055, California Revenue and Taxation Code.

RETAILER:

Signature	Print Name	Title	Date