



THE Hawthorne & Wells Financial Playbook

...Myths, Mistakes, and the Truth "They"
Don't Tell You !

Hawthorne & Wells

DISCLAIMER

The information contained in this playbook is provided for educational and informational purposes only. It does not constitute financial, legal, or professional advice, and should not be relied upon as such. Hawthorne & Wells is not acting as a licensed financial advisor, and readers are encouraged to consult with qualified professionals before making any financial decisions. All funding strategies and examples are general in nature and may not apply to your specific situation.

Foreword

“At Hawthorne & Wells Financial, we have interacted and served tens of thousands of clients and have heard these common misconceptions so often that we now published this comprehensive business guide as an introduction to our company and our portfolio. The myths debunked herein are pervasive and intended to make sure that you are kept at a disadvantage: this book will help you maintain the upper-hand in matters of corporate finance”

-Hayden , CFO

We will Cover the Following Vital Topics :

- Broker Myths
- Business Credit Myths
- Credit Repair Myths
- Funding Myths
- Grant Myths
- Payment Processing Myths
- Startup Funding Myths
- Structuring Myths

Let's Get Started !

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In today's online business world, misinformation spreads faster than opportunity. Entrepreneurs are bombarded with bold promises — instant funding, magic credit fixes, "guaranteed" grants, and overnight success stories. But behind the flashy headlines are hidden pitfalls, legal risks, and financial setbacks that most people don't discover until it's too late.

This guide is here to change that.

Whether you're just getting started or scaling your company, this ebook will walk you through the most common myths and traps holding entrepreneurs back from sustainable success. Each section will break down the claims, explain what's really going on, and give you clear, practical insight into what works and what doesn't.

We're not here to sell you hope — we're here to give you clarity, strategy, and facts that actually hold up in the real world.

Aaron, CEO

**Hawthorne & Wells Financial: Your Partner
in Wealth**

THE 5 BROKER MYTHS



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MYTH #1: “WE’LL GET YOU MORE FUNDS IN A FEW WEEKS”

THIS IS A BAIT TACTIC USED BY BROKERS CHASING COMMISSIONS. IN TRUTH, **RENEWALS ONLY BECOME AVAILABLE AFTER REPAYING 45–60% OF YOUR FIRST FUNDING**, AND STACKING MERCHANT CASH ADVANCES (MCAS) TO GET MORE MONEY FAST IS OFTEN A CONTRACT VIOLATION — AND FINANCIALLY DANGEROUS.

EACH NEW LOAN RAISES YOUR **DEBT-TO-INCOME RATIO**, MAKING FUTURE FUNDING HARDER, MORE EXPENSIVE, AND MORE AGGRESSIVE.

IF THEY COULD GET YOU MORE MONEY LATER... WHY NOT NOW?

AVOID ANYONE MAKING PROMISES THEY CAN'T BACK UP. REAL FUNDING TAKES PLANNING, NOT PRESSURE.



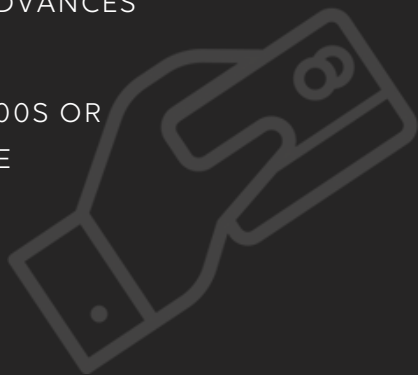
MYTH #2: “AFTER THE MCA, WE’LL GET YOU A LINE OF CREDIT”

THIS IS ONE OF THE MOST MISLEADING PROMISES BROKERS MAKE. ONCE YOU TAKE A MERCHANT CASH ADVANCE (MCA), THAT LENDER IS IN “**FIRST POSITION**” — MEANING THEY HAVE TOP PRIORITY TO GET PAID. MOST LINES OF CREDIT REQUIRE FIRST POSITION, SO YOU’RE INSTANTLY DISQUALIFIED.

ON TOP OF THAT, **QUALIFYING FOR A REAL LINE OF CREDIT IS HARD**. YOU USUALLY NEED:

- 650+ CREDIT SCORE
- \$25K+ MONTHLY REVENUE
- STRONG DAILY BALANCES
- NO ACTIVE LOANS OR ADVANCES

IF YOUR CREDIT IS IN THE 400S OR 500S, THIS PROMISE IS PURE FANTASY.



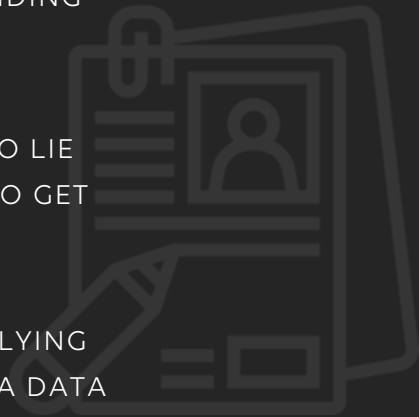
MYTH #3: “IM REACHING OUT ABOUT YOUR APPLICATION”

(EVEN WHEN YOU NEVER APPLIED)
GETTING RANDOM CALLS FROM
BROKERS CLAIMING YOU SUBMITTED
AN APPLICATION? YOU’RE NOT CRAZY
— **YOU PROBABLY DIDN’T APPLY.**

BROKERS BUY DATA FROM **LEAD-MINING COMPANIES** LIKE
LENDINGTREE OR PULL PUBLIC UCC
FILINGS FROM OLD LOANS. THEN
THEY COLD-CALL YOU PRETENDING
IT’S A FOLLOW-UP.

WORSE, SOME ARE TRAINED TO LIE
AND SAY YOU APPLIED JUST TO GET
YOU TALKING.

IF YOU DON’T REMEMBER APPLYING
— **DON’T ENGAGE.** IT’S LIKELY A DATA
SCRAPE, NOT A REAL FOLLOW-UP.



MYTH #4: “AN MCA IS A LOAN THAT BUILDS BUSINESS CREDIT”

IT'S NOT. A **MERCHANT CASH
ADVANCE (MCA) ISN'T A LOAN** — IT'S
A CASH ADVANCE REPAID THROUGH
YOUR FUTURE RECEIVABLES. LEGALLY,
IT CAN'T BE CALLED A LOAN BECAUSE
IT DOESN'T COME WITH FIXED TERMS
OR INTEREST RATES.

AND HERE'S THE KICKER: **MCAS DON'T
HELP YOUR BUSINESS CREDIT.**

MOST MCA PROVIDERS DON'T REPORT
PAYMENTS TO CREDIT BUREAUS, WHICH
MEANS EVEN IF YOU REPAY PERFECTLY, IT
WON'T BOOST YOUR SCORE OR CREDIT
HISTORY.

NO REPORTING = NO CREDIT
GROWTH. DON'T EXPECT LONG-TERM
BENEFITS FROM SHORT-TERM



MYTH #5: “YOU WON’T BE PERSONALLY LIABLE IF YOU DEFAULT”

WRONG — FORMING AN LLC DOES

NOT GUARANTEE PERSONAL

PROTECTION. MOST MCAS AND BUSINESS LOANS COME WITH A PERSONAL GUARANTEE, MEANING YOU ARE STILL ON THE HOOK IF THE BUSINESS CAN’T PAY.

AND THAT’S NOT THE ONLY RISK.

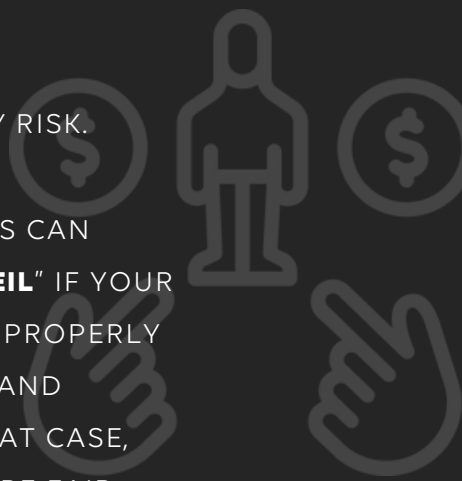
EVEN WITH AN LLC, COURTS CAN

“PIERCE THE CORPORATE VEIL” IF YOUR BUSINESS ISN’T OPERATED PROPERLY — LIKE MIXING PERSONAL AND BUSINESS FINANCES. IN THAT CASE, YOUR PERSONAL ASSETS ARE FAIR GAME.

DODGING REPAYMENT? THAT’S

CALLED **FRAUDULENT CONVEYANCE** —

AND LENDERS CAN SUE FOR IT.



THE 5 BUSINESS CREDIT MYTHS



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MYTH #1: “YOU CAN REPLACE BAD PERSONAL CREDIT WITH BUSINESS CREDIT”

A STRONG BUSINESS CREDIT PROFILE
IS POWERFUL — BUT IT **DOESN'T**
CANCEL OUT BAD PERSONAL CREDIT.

LENDERS (ESPECIALLY BANKS AND SBA
PROGRAMS) ALMOST ALWAYS CHECK PERSONAL
CREDIT WHEN REVIEWING LOAN APPLICATIONS
FOR SMALL BUSINESSES. THAT MEANS **BAD
PERSONAL CREDIT CAN STILL BLOCK YOU,** EVEN
IF YOUR BUSINESS CREDIT LOOKS GREAT.

BUSINESS CREDIT IS A TOOL — **NOT A
SHORTCUT.** IT DOESN'T ERASE YOUR
PERSONAL SCORE.



MYTH #2: “YOU CAN GET A \$150K IN 90 DAYS WITH BUSINESS CREDIT”

THE IDEA OF GETTING \$150,000 IN JUST 90 DAYS THROUGH BUSINESS CREDIT ALONE SOUNDS GREAT — BUT **IT’S NOT REALISTIC.**

MOST EARLY-STAGE BUSINESS CREDIT APPROVALS **CAP AROUND \$1,000 TO \$15,000**, USUALLY THROUGH NET-30 ACCOUNTS OR VENDOR LINES, NOT CASH LOANS. LARGE FUNDING TAKES:

- STRONG CREDIT HISTORY SOLID
- BUSINESS FINANCIALS PROVEN
- REVENUE TIME
-

IF YOU’RE NEW TO BUSINESS CREDIT, CHASING \$150K OVERNIGHT IS A **SETUP FOR DISAPPOINTMENT.**



MYTH #3: “GOOD BUSINESS CREDIT GUARANTEES HIGHER LOAN APPROVALS”

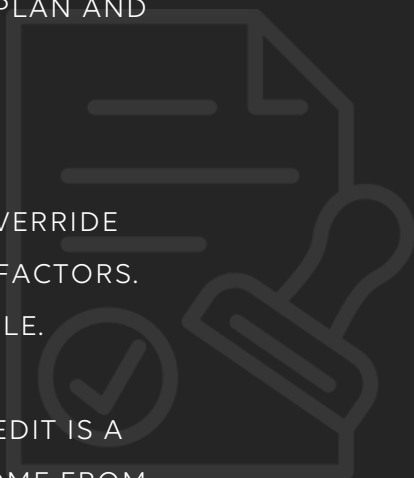
HAVING GOOD BUSINESS CREDIT
HELPS, BUT **IT'S NOT ENOUGH ON ITS
OWN** TO SECURE LARGE LOANS OR
HIGH-LIMIT CREDIT CARDS.

**LENDERS LOOK AT THE FULL PICTURE,
INCLUDING:**

- REVENUE AND CASH FLOW
- COLLATERAL OR PERSONAL
GUARANTEES BUSINESS PLAN AND
- MARKET POTENTIAL

STRONG CREDIT DOESN'T OVERRIDE
WEAK FINANCIALS OR RISK FACTORS.
IT'S ONE PIECE OF THE PUZZLE.

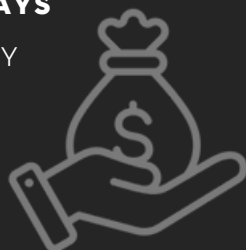
BOTTOM LINE: BUSINESS CREDIT IS A
PLUS — BUT APPROVALS COME FROM
PROOF, NOT JUST SCORES.



MYTH #4: “NEVER USE PERSONAL CREDIT TO FUND YOUR BUSINESS”

IN THEORY, USING ONLY BUSINESS CREDIT SOUNDS IDEAL — BUT

PERSONAL CREDIT IS ALMOST ALWAYS PART OF THE EQUATION, ESPECIALLY FOR STARTUPS AND SMALL BUSINESSES.



BANKS AND LENDERS CHECK YOUR PERSONAL CREDIT TO GAUGE YOUR FINANCIAL RESPONSIBILITY, PARTICULARLY IF YOUR BUSINESS DOESN'T HAVE A LONG CREDIT HISTORY. IGNORING YOUR PERSONAL CREDIT CAN **LIMIT YOUR OPTIONS AND RAISE YOUR RATES**.

MOST BUSINESS CREDIT CARDS, LOANS, AND FUNDING OPTIONS STILL REQUIRE A PERSONAL CREDIT SCORE — OFTEN 680+ — AND MAY INCLUDE A PERSONAL GUARANTEE.

MYTH #5: “YOU WON’T BE PERSONALLY LIABLE FOR BUSINESS CREDIT”

MANY PEOPLE BELIEVE THAT FORMING AN LLC OR USING BUSINESS CREDIT PROTECTS THEM FROM PERSONAL RISK — BUT THAT’S NOT THE FULL STORY.

MOST BUSINESS CREDIT OPTIONS **REQUIRE A PERSONAL GUARANTEE.** THAT MEANS IF YOUR BUSINESS DEFAULTS, **YOUR PERSONAL ASSETS CAN BE PURSUED** — EVEN IF THE CREDIT WAS UNDER THE BUSINESS NAME.

SOME LENDERS ALSO FILE UCC LIENS, GIVING THEM LEGAL RIGHTS TO YOUR BUSINESS ASSETS IF PAYMENTS AREN'T MADE.

IT CAN FOLLOW YOU EVEN IF THE LLC IS DISSOLVED.

THE 5 CREDIT REPAIR MYTHS



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MYTH #1: “USE A CPN TO REPLACE YOUR BAD CREDIT”

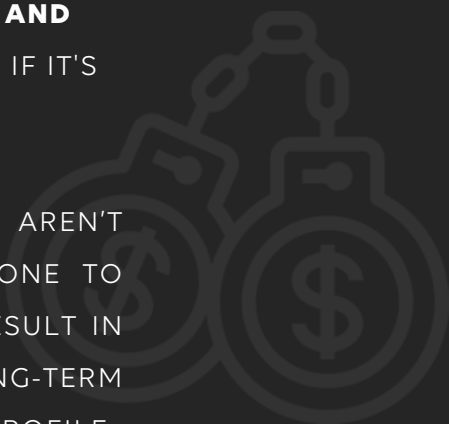
A **CREDIT PROFILE NUMBER (CPN)**

MIGHT SOUND LIKE A CLEVER WORKAROUND — BUT USING ONE TO MASK OR REPLACE YOUR SOCIAL SECURITY NUMBER IS **RISKY AND OFTEN ILLEGAL**, ESPECIALLY IF IT'S USED TO DECEIVE LENDERS.

WHILE CPNS THEMSELVES AREN'T ALWAYS ILLEGAL, USING ONE TO APPLY FOR CREDIT CAN RESULT IN FRAUD CHARGES AND LONG-TERM DAMAGE TO YOUR CREDIT PROFILE.

LENDERS AND BUREAUS CAN STILL LINK THE CPN BACK TO YOU — AND THE CONSEQUENCES CAN BE WORSE THAN THE ORIGINAL BAD CREDIT.

BOTTOM LINE: CPNS DON'T ERASE BAD CREDIT — THEY JUST ADD LEGAL RISK TO IT.



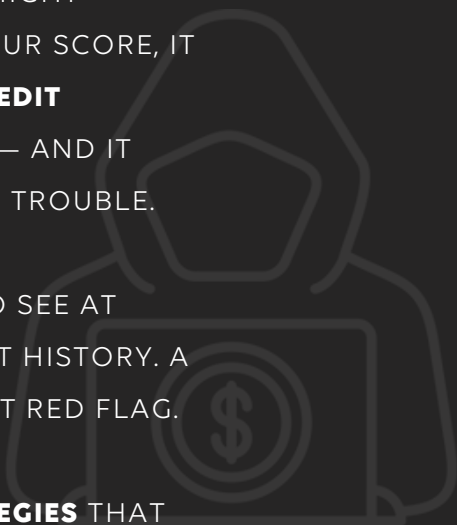
MYTH #2: “GET A CREDIT SWEEP & QUALIFY FOR FUNDING IN 90 DAYS”

CREDIT SWEEPS ARE OFTEN PROMOTED AS A WAY TO **WIPE YOUR CREDIT CLEAN FAST** — BUT THEY'RE NOT JUST INEFFECTIVE, THEY'RE **ILLEGAL**.

THESE “SWEEPS” USUALLY INVOLVE FILING FALSE POLICE REPORTS CLAIMING CERTAIN ACCOUNTS ARE FRAUDULENT. WHILE IT MIGHT TEMPORARILY BOOST YOUR SCORE, IT REMOVES THE **ENTIRE CREDIT HISTORY LENDERS NEED** — AND IT CAN LAND YOU IN LEGAL TROUBLE.

MOST LENDERS WANT TO SEE AT LEAST 2 YEARS OF CREDIT HISTORY. A BLANK REPORT = INSTANT RED FLAG.

STICK TO ETHICAL STRATEGIES THAT ACTUALLY BUILD LONG-TERM CREDIT HEALTH.



MYTH #3: “SUBPRIME LINES WON’T HURT YOUR APPROVAL ODDS”

SUBPRIME LINES — LIKE SECURED CARDS OR HIGH-INTEREST CREDIT ACCOUNTS — CAN HELP **REBUILD CREDIT**, BUT THEY COME WITH LIMITS.

LENDERS SEE SUBPRIME HISTORY AS A **RED FLAG**. IT SIGNALS HIGHER RISK, WHICH CAN HURT YOUR CHANCES OF GETTING **PRIME LOANS, BUSINESS FUNDING, OR TOP-TIER CREDIT CARDS**, NO MATTER HOW WELL YOU’VE MANAGED THOSE ACCOUNTS.

SUBPRIME TOOLS CAN HELP BUILD CREDIT — BUT TOO MUCH RELIANCE ON THEM CAN HOLD YOU BACK FROM BETTER APPROVALS.

NOT ALL CREDIT IS VIEWED EQUALLY — AND LENDERS NOTICE THE DIFFERENCE.



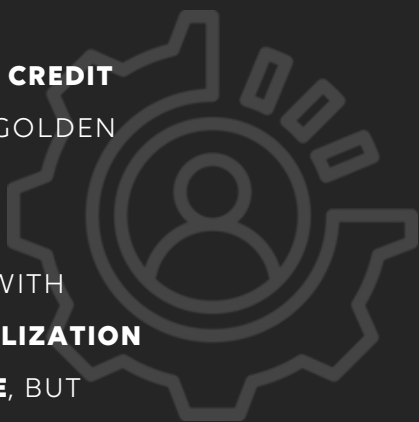
MYTH #4: “ADDING AUTHORIZED USERS OR TRADELINES GUARANTEES FUNDING”

ADDING TRADELINES OR BECOMING
AN AUTHORIZED USER CAN

**TEMPORARILY BOOST YOUR CREDIT
PROFILE** — BUT IT’S NOT A GOLDEN
TICKET TO FUNDING.

THESE TACTICS MAY HELP WITH
THINGS LIKE **LOWERING UTILIZATION**
OR IMPROVING YOUR SCORE, BUT
LENDERS ARE TRAINED TO SPOT THIN
FILES OR ARTIFICIALLY BOOSTED
CREDIT. WITHOUT YOUR OWN SOLID
CREDIT HISTORY, THESE ADDITIONS
WON’T HOLD MUCH WEIGHT.

NO METHOD GUARANTEES FUNDING —
ESPECIALLY NOT PIGGYBACKING ON
SOMEONE ELSE’S CREDIT.



MYTH #5: “BAD PERSONAL CREDIT DOESN’T AFFECT BUSINESS LOANS”

THINK YOUR PERSONAL CREDIT WON'T MATTER FOR BUSINESS FUNDING? **THINK AGAIN.** MOST LENDERS — INCLUDING BANKS, CREDIT UNIONS, AND THE SBA — **REVIEW YOUR PERSONAL CREDIT** WHEN DECIDING WHETHER TO APPROVE A BUSINESS LOAN.

IF YOUR SCORE IS LOW, YOUR OPTIONS SHRINK FAST. YOU MIGHT QUALIFY FOR A MERCHANT CASH ADVANCE (MCA) — BUT EXPECT **HIGH FEES, SHORT TERMS, AND AGGRESSIVE REPAYMENT.**

BAD PERSONAL CREDIT DOESN'T JUST BLOCK BUSINESS LOANS — IT CAN DRIVE UP YOUR COSTS ACROSS THE BOARD, FROM INSURANCE TO LEASES.



THE 5 FUNDING MYTHS



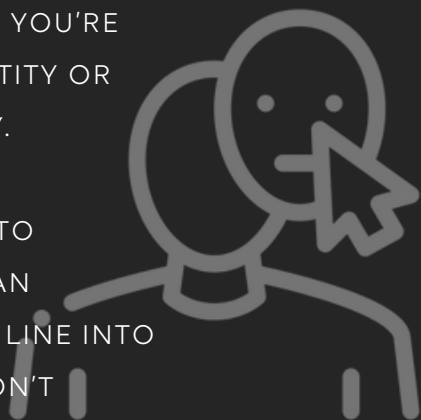
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MYTH #1: “CPNS GET YOU LOANS”

A **CPN (CREDIT PROFILE NUMBER)** IS OFTEN SOLD AS A QUICK FIX TO BYPASS BAD CREDIT. SOME CLAIM YOU CAN USE IT INSTEAD OF YOUR SOCIAL SECURITY NUMBER TO GET LOANS OR CREDIT CARDS. SOUNDS APPEALING, RIGHT? BUT HERE’S THE TRUTH: **USING A CPN FOR CREDIT APPLICATIONS IS ILLEGAL** IF YOU’RE TRYING TO HIDE YOUR IDENTITY OR YOUR REAL CREDIT HISTORY.

EVEN IF THE CPN IS “LEGAL TO OBTAIN,” USING IT ON A LOAN APPLICATION CROSSES THE LINE INTO **FRAUD**. CREDIT BUREAUS DON’T RECOGNIZE CPNS. LENDERS WILL FLAG IT. AND IF YOU’RE CAUGHT, IT COULD LEAD TO **FEDERAL CHARGES**.

THERE ARE NO LEGIT “FRESH STARTS” THROUGH FAKE IDENTITIES.



MYTH #2: “AGED CORPORATIONS GET YOU LARGE LOANS”

LENDERS CARE ABOUT CURRENT

ACTIVITY, NOT BUSINESS AGE. IF YOUR CORPORATION DOESN'T HAVE RECENT TAX RETURNS, REVENUE, OR BANKING HISTORY, IT MEANS NOTHING — EVEN IF IT'S TECHNICALLY 10 YEARS OLD.

TO MAKE IT WORSE: **CHANGING**

OWNERSHIP RESETS THE AGE IN THE EYES OF MANY LENDERS AND UNDERWRITERS. AND THOSE GURUS CHARGING \$2K-\$5K TO TEACH THIS OUTDATED TACTIC? THEY'RE SELLING SMOKE.

WANT LARGE LOANS?

- BUILD A REAL, PROFITABLE BUSINESS SHOW UPDATED
- FINANCIALS GROW YOUR CREDIT
- LINE OVER TIME



MYTH #3: “BUSINESS CREDIT REPLACES BAD PERSONAL CREDIT”

THIS MYTH IS EVERYWHERE — ESPECIALLY FROM PEOPLE SELLING “EIN-ONLY” STRATEGIES. BUT THE HARD TRUTH IS: **LENDERS STILL LOOK AT YOUR PERSONAL CREDIT**. THAT’S BECAUSE MOST SMALL BUSINESSES DON’T HAVE ENOUGH DATA OR REVENUE TO STAND ON THEIR OWN.

EVEN IF YOU BUILD STRONG BUSINESS CREDIT, MOST CARDS AND FUNDING OPTIONS:

- REQUIRE A **PERSONAL GUARANTEE (PG)**
- CHECK YOUR **PERSONAL FICO SCORE**
- REPORT BACK TO **PERSONAL CREDIT BUREAUS**

BAD PERSONAL CREDIT WILL FOLLOW YOU — EVEN IN BUSINESS.

MYTH #4: “SEASON YOUR ACCOUNTS AND LIQUIDATE CARDS FOR BIGGER LOANS”

THESE ARE SOME OF THE MOST **DANGEROUS TACTICS** PUSHED BY SHADY FUNDING CIRCLES. SEASONING ACCOUNTS (I.E., INFLATING BANK BALANCES OR FAKING DEPOSITS) AND LIQUIDATING CREDIT CARDS (I.E., MANUFACTURING CASH FLOW) ARE NOT JUST UNETHICAL — THEY'RE **CRIMINAL**.

LENDERS NOW USE AI AND TRANSACTION ANALYSIS TO CATCH INCONSISTENCIES IN YOUR ACCOUNT ACTIVITY.



IF YOU'RE CAUGHT? EXPECT:

- FROZEN ACCOUNTS LOAN DENIALS
- **POTENTIAL LEGAL ACTION — AND**
- **YES, EVEN JAIL TIME**

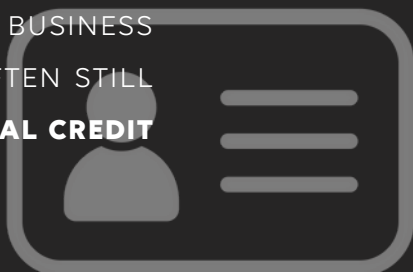
MYTH #5: “YOU CAN GET LOANS WITH YOUR EIN ONLY”

AN **EIN (EMPLOYER IDENTIFICATION NUMBER)** IS USED TO IDENTIFY YOUR BUSINESS — NOT TO REPLACE YOUR PERSONAL IDENTITY. DESPITE THE HYPE AROUND “EIN-ONLY LOANS,” **NO LEGITIMATE LENDER GIVES OUT MONEY BASED ON YOUR EIN ALONE.**

REAL FUNDING REQUIRES:

- PERSONAL CREDIT CHECKS
- FINANCIALS (TAX RETURNS, BANK STATEMENTS, PROFIT & LOSS)
- SOMETIMES COLLATERAL OR A PG

EVEN CORPORATE CARDS WITH NO PG (LIKE DIVVY, BREX, OR RAMP) STILL REVIEW BUSINESS PERFORMANCE — AND OFTEN STILL ASK ABOUT **YOUR PERSONAL CREDIT** IN SOME WAY.



THE 5 GRANT MYTHS



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MYTH #1: “YOU JUST NEED AN EIN & LLC TO GET A GRANT”

HAVING AN EIN AND AN LLC IS ONLY THE STARTING POINT — **NOT A GOLDEN TICKET** TO GRANT APPROVAL. WHILE THEY’RE ESSENTIAL FOR STRUCTURING YOUR BUSINESS, **GRANTS ARE HIGHLY COMPETITIVE AND REQUIRE FAR MORE THAN BASIC SETUP PAPERWORK.**

EACH GRANT COMES WITH ITS OWN CRITERIA:

- SOME REQUIRE **DETAILED BUSINESS PLANS** WITH FINANCIAL PROJECTIONS OTHERS WANT
- PROOF OF **COMMUNITY IMPACT OR ECONOMIC CONTRIBUTION** MANY ARE **REGION-SPECIFIC** AND TIED TO
- LOCAL ECONOMIC DEVELOPMENT



MYTH #2: “GRANTS ARE EASY TO OBTAIN”

GRANT FUNDING IS ONE OF THE **MOST OVERHYPED** AND **MISUNDERSTOOD** SOURCES OF BUSINESS CAPITAL. IT'S NOT EASY, IT'S NOT FAST, AND IT'S **NOT GUARANTEED** — NO MATTER HOW MANY YOUTUBE VIDEOS OR INSTAGRAM GURUS SAY OTHERWISE. REAL GRANT PROGRAMS ARE HIGHLY SELECTIVE.

THEY EVALUATE:

- YOUR **ALIGNMENT WITH THEIR GOALS** YOUR ABILITY TO **MAKE AN IMPACT** THE **FEASIBILITY AND STRUCTURE** OF YOUR BUSINESS PLAN

YOU'LL LIKELY BE REQUIRED TO SUBMIT:

- FINANCIALS RESUMES A CLEAR PROPOSAL FOR HOW FUNDS WILL BE USED PROGRESS REPORTS IF AWARDED
-



MYTH #3: “YOU CAN USE GRANT MONEY FOR ANYTHING”

GRANTS COME WITH STRICT USAGE RULES. IF YOU’RE AWARDED MONEY, **YOU CAN’T TREAT IT LIKE A BLANK CHECK** — IT MUST BE USED **EXACTLY AS OUTLINED IN THE GRANT’S TERMS.**

MISUSING GRANT MONEY CAN LEAD TO:

- IMMEDIATE TERMINATION OF YOUR AWARD
- FORCED REPAYMENT LOSS
- OF ELIGIBILITY FOR FUTURE GRANTS
- LEGAL CONSEQUENCES

GRANTORS OFTEN REQUIRE **FINANCIAL AND PROGRESS REPORTS** TO TRACK HOW THE MONEY IS BEING USED. SOME MAY EVEN AUDIT YOU.

IF YOU DON’T STICK TO THE PLAN, YOU COULD LOSE THE MONEY — **OR WORSE.**



MYTH #4: “BUYING A GRANT LIST GETS YOU ACTIVE GRANTS”

MOST GRANT LISTS BEING SOLD ON SOCIAL MEDIA ARE A **COMPLETE WASTE OF MONEY**. THEY'RE OFTEN OUTDATED, IRRELEVANT, OR COPIED FROM FREE PUBLIC DATABASES.

WHAT'S WORSE, THE SELLERS USUALLY HAVE:

- NO PROFESSIONAL WEBSITE NO
- EXPERIENCE AS GRANT WRITERS NO CREDIBILITY
-



GRANTS DON'T RUN LIKE LOANS — THEY OPEN AND CLOSE BASED ON **SEASON, BUDGET, AND COMMUNITY NEEDS**. WHAT WAS AVAILABLE LAST YEAR MIGHT BE GONE THIS YEAR.

SCAMMERS WILL SEND YOU PDFS FULL OF EXPIRED OPPORTUNITIES, THEN **DISAPPEAR WITH YOUR MONEY**.

MYTH #5: “HIRING A GRANT WRITER GUARANTEES THE GRANT”

EVEN THE BEST GRANT WRITER IN THE WORLD **CAN'T GUARANTEE YOU'LL GET FUNDING** — AND ANYONE WHO DOES IS EITHER LYING OR TRYING TO SCAM YOU.

LEGIT GRANT WRITERS:

- HAVE **REAL WEBSITES** SHARE
- **VERIFIABLE TESTIMONIALS** ARE
- TRANSPARENT ABOUT **THEIR PROCESS AND PRICING**



SCAMMERS, ON THE OTHER HAND, PROMISE SUCCESS FOR A SMALL UPFRONT FEE VIA CASHAPP, AND DISAPPEAR AFTER DELIVERING A GENERIC APPLICATION (OR NOTHING AT ALL).

THERE ARE **NO GUARANTEED GRANTS**.
THERE ARE ONLY COMPETITIVE
APPLICATIONS DONE RIGHT.

THE 5 PAYMENT PROCESSING MYTHS



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MYTH #1: “NO MATTER WHERE YOU GO, YOU HAVE TO PAY HIGH PROCESSING FEES”

HIGH FEES AREN'T A RULE — THEY'RE A **CHOICE**. MOST BUSINESS OWNERS STICK WITH STRIPE, PAYPAL, OR SQUARE AND ASSUME THERE'S NO ALTERNATIVE. BUT THOSE PLATFORMS COME WITH **PRESET RATES** AND **NON- NEGOTIABLE TERMS** — OFTEN 4-6% OF EVERY TRANSACTION, PLUS MONTHLY FEES OR EARLY DEPOSIT CHARGES.

IF YOU'RE PROCESSING \$25K/MONTH, THAT'S \$15,000+ A YEAR IN FEES. FOR HIGH-VOLUME BUSINESSES, THE COSTS ARE EVEN STEEPER.



PAYING THOUSANDS A YEAR IN FEES IS NOT THE COST OF DOING BUSINESS — IT'S A LACK OF INFORMATION.

YOU DON'T NEED TO SETTLE FOR STRIPE. YOU JUST NEED THE RIGHT SETUP.

MYTH #2: “YOU SHOULD OFFER EVERY TYPE OF PAYMENT PLATFORM TO CATER TO CUSTOMERS”

OFFERING EVERY SINGLE PAYMENT METHOD SOUNDS CUSTOMER-FRIENDLY — BUT IT’S A **COMPLIANCE AND ACCOUNTING DISASTER** WAITING TO HAPPEN.

WCOHLELNE CTIYNOGU MSOTANRETY THROUGH PAYPAL, VENMO, ZELLE, CASHAPP, CRYPTO, APPLE PAY, STRIPE, SQUARE, AND MORE, SEVERAL ISSUES ARISE:

- **NO FDIC PROTECTION** ON MOST PLATFORMS **FROZEN FUNDS** OR
- **RANDOM SHUTDOWNS** FROM TERMS OF SERVICE VIOLATIONS **SCATTERED CASH FLOW** AND **INACCURATE BOOKS**

YOU DON’T NEED EVERY APP — YOU NEED ONE STRONG SYSTEM.



MYTH #3: “JUST ADD A FEE TO THE INVOICE TO COVER PROCESSING COSTS”

WHILE ADDING A SMALL SURCHARGE MIGHT SEEM LIKE A SMART WAY TO OFFSET FEES, IT CAN QUICKLY BACKFIRE — **AND EVEN BECOME ILLEGAL**, DEPENDING ON YOUR STATE.

CURRENTLY, STATES LIKE **CALIFORNIA, FLORIDA, NEW YORK, TEXAS, AND MASSACHUSETTS** PROHIBIT SURCHARGING CUSTOMERS DIRECTLY. IN OTHER STATES, YOU’RE ALLOWED TO DO IT — BUT USUALLY WITH LIMITS (OFTEN 4%) AND STRICT DISCLOSURE REQUIREMENTS.

ADDING FEES WITHOUT KNOWING THE LAW CAN **EXPOSE YOU TO FINES, REFUND DEMANDS, OR EVEN LAWSUITS.**



MYTH #4: "STRIPE & PAYPAL ARE THE BEST OPTIONS TO ACCEPT PAYMENTS"

STRIPE AND PAYPAL ARE POPULAR — BUT THAT DOESN'T MAKE THEM SAFE. IN FACT, MANY BUSINESS OWNERS HAVE LOST **THOUSANDS** DUE TO ACCOUNT FREEZES, WITHHELD PAYOUTS, AND SUDDEN SHUTDOWNS.

THESE COMPANIES CAN:

- FREEZE YOUR MONEY FOR **90-120 DAYS** REVERSE PAYMENTS WITHOUT
- YOUR APPROVAL WITHDRAW FROM YOUR CONNECTED BANK
- ACCOUNTS WITHOUT WARNING



THERE ARE COUNTLESS LAWSUITS AND HORROR STORIES ONLINE FROM BUSINESS OWNERS WHO TRUSTED THESE PLATFORMS TOO MUCH.

MYTH #5: “ITS A HASSLE TO SWITCH AND LEARN A NEW SYSTEM”

SWITCHING PLATFORMS DOESN'T HAVE TO BE PAINFUL. THE IDEA THAT CHANGE EQUALS CONFUSION IS OUTDATED — ESPECIALLY IF YOU'RE WORKING WITH THE RIGHT TEAM.

WHEN YOU PARTNER WITH A REAL PAYMENT PROCESSING EXPERT:

- YOU GET ONE-ON-ONE ONBOARDING AND LIVE SUPPORT
- YOU RECEIVE STEP-BY-STEP TRAINING TAILORED TO YOUR BUSINESS YOU GAIN ACCESS TO
- TOOLS THAT IMPROVE YOUR OPERATIONS — INSTEAD OF JUST CHARGING YOU

IF YOU'RE LOSING MONEY, LOCKED OUT OF FUNDS, OR STUCK ON HOLD — THE REAL HASSLE IS STAYING WHERE YOU ARE.



THE 5 STARTUP FUNDING MYTHS



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MYTH #1: “YOU CAN EASILY WALK INTO A BANK AND GET A ‘NO-DOC’ LOAN”

THE IDEA OF WALKING INTO A BANK AND GETTING FUNDING WITHOUT SHOWING ANY FINANCIALS IS OUTDATED — AND DANGEROUS TO BELIEVE. **NO-DOC LOANS** MAY HAVE EXISTED IN THE PAST, BUT TODAY’S LENDERS PRIORITIZE **RISK MANAGEMENT, COMPLIANCE, AND DOCUMENTATION.**

BANKS, CREDIT UNIONS, AND EVEN ALTERNATIVE LENDERS NOW REQUIRE:

- PERSONAL CREDIT CHECKS
- INCOME VERIFICATION BUSINESS
- PLANS AND PROJECTIONS
- INDUSTRY EXPERIENCE PROOF YOU
- CAN REPAY THE LOAN



MYTH #2: “WITH BUSINESS CREDIT, YOU CAN GET \$150K IN 90 DAYS — NO PERSONAL GUARANTEE”

MOST PEOPLE PREACHING THIS ARE REFERRING TO VENDOR ACCOUNTS, FUEL CARDS, AND CORPORATE STORE CARDS.

THESE TOOLS MAY HELP BUILD BUSINESS CREDIT, BUT **THEY DON'T GIVE YOU ACCESS TO LARGE, LIQUID CAPITAL.**

HERE'S WHY THE \$150K/90-DAYS CLAIM FALLS APART:

1. MOST BUSINESS CREDIT LIMITS ARE LOW STARTING OUT
2. PGS OR COLLATERAL ARE STILL OFTEN REQUIRED
3. STRICT UNDERWRITING STILL APPLIES
4. RELYING ON BUSINESS CREDIT ALONE LEAVES YOU EXPOSED



MYTH #3: “USING CASHAPP AND VENMO IS THE BEST WAY TO SAVE ON FEES”

PLATFORMS LIKE **CASHAPP** AND **VENMO** MIGHT FEEL CONVENIENT — BUT THEY COME WITH **REAL RISKS** WHEN USED FOR BUSINESS. THESE APPS WEREN'T BUILT FOR STARTUPS, AND USING THEM AS YOUR PRIMARY PROCESSOR CAN **CRIPPLE YOUR CREDIBILITY AND LIMIT YOUR FUNDING OPTIONS.**

HERE'S WHAT MOST ENTREPRENEURS DON'T REALIZE:

- THESE APPS ARE NOT **FDIC INSURED** THEY OFFER **LIMITED PROTECTION**
- AGAINST FRAUD OR CHARGEBACKS THEY CAN **FREEZE FUNDS** WITHOUT WARNING MOST LENDERS **WON'T**
- **COUNT THESE TRANSACTIONS AS VERIFIABLE REVENUE**



MYTH #4: “FOCUS MORE ON HIDING MONEY THAN SHOWING STRONG REVENUE”

TOO MANY NEW ENTREPRENEURS THINK **KEEPING INCOME OFF THE BOOKS** WILL SAVE THEM ON TAXES — BUT IN REALITY, IT KILLS THEIR CHANCES AT **FUNDING, PARTNERSHIPS, AND GROWTH**. UNDERREPORTING REVENUE DOESN'T JUST LIMIT YOUR OPTIONS — IT PUTS YOUR BUSINESS AT RISK OF:

- **AUDITS AND PENALTIES** FROM THE IRS **DESTROYED CREDIBILITY** WITH
- BANKS AND INVESTORS
- **INELIGIBILITY** FOR LOANS, GRANTS, OR CORPORATE CONTRACTS

ON THE FLIP SIDE, **STRONG FINANCIALS OPEN DOORS**. LENDERS AND INVESTORS WILL TAKE NOTE.



MYTH #5: “YOU SHOULD NEVER USE YOUR PERSONAL CREDIT FOR STARTUP FUNDING”

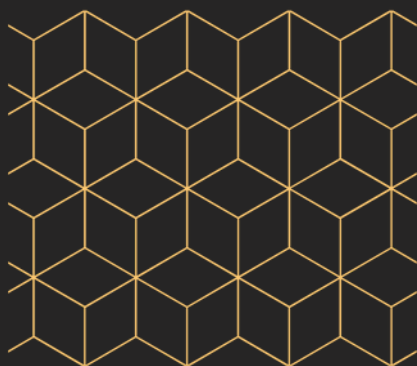
IT SOUNDS SMART TO “KEEP BUSINESS AND PERSONAL SEPARATE,” BUT WHEN IT COMES TO **STARTUP FUNDING**, YOUR **PERSONAL CREDIT IS PART OF THE DEAL** — WHETHER YOU LIKE IT OR NOT.

BANKS, CREDIT UNIONS, THE SBA, AND EVEN MOST ALTERNATIVE LENDERS WILL **EVALUATE YOUR PERSONAL CREDIT PROFILE** BEFORE APPROVING ANY SERIOUS FUNDING. THAT’S BECAUSE YOUR CREDIT HISTORY REFLECTS:

- YOUR **FINANCIAL HABITS** YOUR
- ABILITY TO **REPAY OBLIGATIONS**
- YOUR LEVEL OF **RISK** AS A BORROWER



THE 5 STRUCTURING MYTHS



Hawthorne & Wells

MYTH #1: "YOU HAVE TO PAY TO GET YOUR EIN"

YOUR **EIN (EMPLOYER IDENTIFICATION NUMBER)** IS **100% FREE** — AND ALWAYS HAS BEEN. YOU CAN GET IT DIRECTLY THROUGH THE OFFICIAL IRS WEBSITE IN JUST A FEW MINUTES. YET, MANY PEOPLE FALL FOR SITES AND SERVICES THAT CHARGE \$100 OR MORE FOR SOMETHING YOU CAN DO YOURSELF.

EVEN BIG-NAME FORMATION COMPANIES LIKE INCFILE OR LEGALZOOM CHARGE HIDDEN FEES BY BUNDLING THIS FREE SERVICE INTO THEIR "PACKAGES."

DON'T LET CONVENIENCE BECOME A COST. **PAYING FOR AN EIN IS LIKE PAYING SOMEONE TO GOOGLE SOMETHING FOR YOU.**

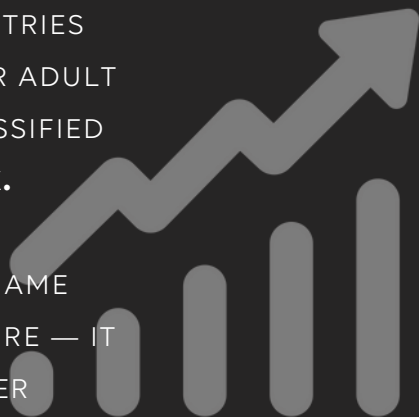


MYTH #2: "CERTAIN BUSINESS NAMES QUALIFY YOU FOR HIGHER APPROVALS"

YOUR BUSINESS NAME DOES **NOT** DETERMINE YOUR FUNDING LIMITS — BUT IT **CAN** HURT YOUR CHANCES IF IT RAISES RED FLAGS WITH LENDERS. WORDS LIKE "CASH," "CREDIT," "FIX N FLIP," "TRUCKING," OR "BANK" — ALONG WITH CERTAIN INDUSTRIES LIKE FINANCE, COACHING, OR ADULT CONTENT — ARE OFTEN CLASSIFIED AS **RESTRICTED OR HIGH-RISK.**

THAT DOESN'T MEAN YOUR NAME HELPS YOU QUALIFY FOR MORE — IT JUST MEANS IT MIGHT TRIGGER AUTOMATIC DECLINES OR LOWER FUNDING LIMITS.

THERE'S NO "MAGIC KEYWORD" THAT BOOSTS APPROVAL ODDS. IF ANYTHING, THE WRONG ONE CAN HOLD YOU BACK.



MYTH #3: “ALL VIRTUAL ADDRESS OPTIONS ARE THE SAME”

NOT ALL VIRTUAL ADDRESSES ARE CREATED EQUAL — AND CHOOSING THE WRONG ONE CAN KILL YOUR CREDIBILITY, BLOCK FUNDING, AND RUIN YOUR PROFESSIONAL IMAGE.

USING A **P.O. BOX** OR **YOUR HOME ADDRESS** CAN LEAD TO:

- **FUNDING DENIALS** FROM BANKS AND LENDERS
- **PRIVACY RISKS** AND PERSONAL EXPOSURE
- AN APPEARANCE THAT YOUR BUSINESS LACKS LEGITIMACY

EVEN AMONG VIRTUAL OFFICE PROVIDERS, THERE'S A DIFFERENCE BETWEEN PROFESSIONAL-GRADE SETUPS AND GLORIFIED MAILBOX RENTALS.



MYTH #4: “ONCE YOU HAVE AN EIN, YOU NEVER HAVE TO USE YOUR SSN AGAIN”

YOUR EIN IS FOR YOUR **BUSINESS**.
YOUR SSN IS STILL TIED TO **YOU** —
AND WHEN IT COMES TO FUNDING,
APPLICATIONS, OR ANYTHING
INVOLVING FINANCIAL
RESPONSIBILITY, **LENDERS WANT
BOTH.**

MOST FUNDING APPLICATIONS,
CREDIT CARDS, AND BANKING SETUPS
STILL REQUIRE:

- YOUR **SSN** TO VERIFY IDENTITY YOUR **EIN**
- TO VERIFY BUSINESS STRUCTURE

SUBMITTING YOUR EIN IN PLACE OF
YOUR SSN WILL LEAD TO **AUTOMATIC
REJECTIONS AND VERIFICATION
ISSUES.**



MYTH #5: “OPEN MULTIPLE BANK ACCOUNTS AND YOU’LL EASILY GET FUNDING”

OPENING MULTIPLE BUSINESS BANK ACCOUNTS DOESN'T UNLOCK FUNDING — IT CREATES **CONFUSION, RED FLAGS, AND MORE PAPERWORK.** MANY PEOPLE FALL FOR THIS TACTIC, THINKING MORE ACCOUNTS EQUALS MORE APPROVAL CHANCES. BUT LENDERS DON'T CARE HOW MANY ACCOUNTS YOU HAVE — THEY CARE ABOUT WHAT'S INSIDE THEM.

HERE'S WHY THIS MYTH FAILS:

- LENDERS WANT TO SEE **HEALTHY, ACTIVE ACCOUNTS** — NOT EMPTY ONES MULTIPLE ACCOUNTS CAN
- TRIGGER **AUDIT ISSUES** OR SLOW DOWN UNDERWRITING YOU’LL BE ASKED TO SUBMIT **STATEMENTS**
- **FOR ALL ACCOUNTS**, NOT JUST ONE





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FINANCIAL

THANK YOU!