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Address  
Tallahassee, FL 32301 222-1092  
City State Zip Phone

CORPORATION(S) NAME

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-08/26/98--01070--017  
\*\*\*\*285.00 \*\*\*\*285.00

Bar None Mortgage, LLC

- ☐ Profit  
☐ NonProfit  
☒ Limited Liability Company  
☒ Foreign  
☐ Limited Partnership  
☐ Reinstatement  
☐ Limited Liability Partnership  
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DIVISION OF CORPORATION



FLORIDA DEPARTMENT OF STATE

Sandra B. Mortham  
Secretary of State

August 26, 1998

C T CORPORATION SYSTEM

TALLAHASSEE, FL

SUBJECT: BAR NONE MORTGAGE, LLC  
Ref. Number: W98000019564

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TALLAHASSEE, FLORIDA

We have received your document for BAR NONE MORTGAGE, LLC and your check(s) totaling \$285.00. However, the enclosed document has not been filed and is being returned for the following correction(s):

You must provide this office with the agreed value and a written description of the property and/or services you refer to in your affidavit. You may amend your affidavit to include this description or include an attachment.

Please return your document, along with a copy of this letter, within 60 days or your filing will be considered abandoned.

If you have any questions concerning the filing of your document, please call (850) 487-6025.

Cathy A Mitchell  
Corporate Specialist

Letter Number: 298A00044264

**APPLICATION BY FOREIGN LIMITED LIABILITY COMPANY FOR AUTHORIZATION TO  
TRANSACTION BUSINESS IN FLORIDA**

*IN COMPLIANCE WITH SECTION 608.503, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED TO REGISTER A FOREIGN LIMITED LIABILITY COMPANY TO TRANSACTION BUSINESS IN THE STATE OF FLORIDA:*

1. Bar None Mortgage, LLC  
(Name of foreign limited liability company must end with the words "limited company" or their abbreviation "L.C." if not so contained in the name at present.)

2. California 3. 33-0811462  
(Jurisdiction under the law of which foreign limited liability company is organized) (FEI number, if applicable)

4. May 26, 1998 5. 2028  
(Date of Organization) (Duration: Year limited liability company will cease to exist or "perpetual")

6. Upon approval  
(Date first transacted business in Florida. (See sections 608.501, 608.502 and 817.155, F.S.))

7. 2603 Main Street, Suite 800, Irvine, CA 92614

(Street address of principal office)

8. List name, title, and business address of each managing member [MGRM] or manager [MGR] who will manage the foreign limited liability company in Florida: (attach additional page if necessary)

NAME & ADDRESS:	TITLE:	NAME & ADDRESS:	TITLE:
<u>John Dewey</u>	<u>MGR</u>	<u>James Crouse</u>	<u>MGR</u>
<u>2603 Main Street</u>		<u>2603 Main Street</u>	
<u>Suite 800</u>		<u>Suite 800</u>	
<u>Irvine, CA 92614</u>		<u>Irvine, CA 92614</u>	
_____		_____	
_____		_____	
_____		_____	
_____		_____	
_____		_____	

9. Attached is an original certificate of existence, no more than 90 days old, duly authenticated by the Secretary of State or the proper official having custody of records in the state under the law of which it is organized. (A photocopy is not acceptable. If the certificate is in a foreign language, a translation of the certificate under oath of the translator must be submitted.)

**AFFIDAVIT OF MEMBERSHIP AND CONTRIBUTIONS OF FOREIGN  
LIMITED LIABILITY COMPANY**

The undersigned member or authorized representative of a member of Bar None Mortgage, LLC

\_\_\_\_\_ certifies: \_\_\_\_\_

- 1) the above named limited liability company has at least two members;
- 2) the total amount of cash contributed by the member(s) is \$ 425,000 ;
- 3) if any, the agreed value of property other than cash contributed by member(s) is \$ 100,000 ;  
(A description of the property is attached and made a part hereto.)  
and
- 4) the total amount of cash and property contributed and anticipated to be contributed  
by member(s) is \$ 525,000 .  
(This total includes amounts from 2 and 3 above.)



\_\_\_\_\_  
**Signature of a member or authorized representative of a member.**  
(In accordance with section 608.408(3), Florida Statutes, the execution of this  
affidavit constitutes an affirmation under the penalties of perjury that the facts  
stated herein are true.)

John Dewey

\_\_\_\_\_  
Typed or printed name of signee

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SECRETARY OF STATE

**Filing Fee: \$250.00 for Application and Affidavit**

**CERTIFICATE OF DESIGNATION OF  
REGISTERED AGENT/REGISTERED OFFICE**

PURSUANT TO THE PROVISIONS OF SECTION 608.415 OR 608.507, FLORIDA STATUTES, THE UNDERSIGNED LIMITED LIABILITY COMPANY SUBMITS THE FOLLOWING STATEMENT TO DESIGNATE A REGISTERED OFFICE AND REGISTERED AGENT IN THE STATE OF FLORIDA.

1. The name of the Limited Liability Company is:

Bar None Mortgage, LLC

2. The name and the Florida street address of the registered agent and office are:

C T CORPORATION SYSTEM

(Name)

1200 South Pine Island Road

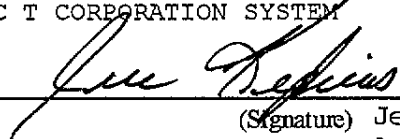
Florida street address (P.O. Box **NOT** ACCEPTABLE )

Plantation FL 33324

(City/State/Zip)

*Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.*

C T CORPORATION SYSTEM

  
(Signature) Jere Keprios  
Asst. Secy.

**Filing Fee: \$ 35 for Designation of Registered Agent**



## INDEPENDENT AUDITORS' REPORT

To the Members  
Bar None Mortgage, LLC  
Irvine, California

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TALLAHASSEE, FLORIDA

We have audited the accompanying balance sheet of Bar None Mortgage, LLC (a California Limited Liability Company) as of July 10, 1998. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the balance sheet is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the balance sheet. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of Bar None Mortgage, LLC as of July 10, 1998 in conformity with generally accepted accounting principles.

*Squar, Milner & Reehl*

July 13, 1998

**BAR NONE MORTGAGE, LLC**  
**BALANCE SHEET**  
**JULY 10, 1998**

**ASSETS**

**CURRENT ASSETS**

Cash

**\$ 425,000**

**OFFICE FURNITURE AND EQUIPMENT**

**100,000**

**\$ 525,000**

**LIABILITIES AND MEMBERS' EQUITY**

**MEMBERS' EQUITY**

**\$ 525,000**

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TALLAHASSEE, FLORIDA

**BAR NONE MORTGAGE, LLC  
NOTES TO BALANCE SHEET  
JULY 10, 1998**

**NOTE 1: ORGANIZATION AND FORMATION**

Bar None Mortgage, LLC (the "Company") is a California limited liability company formed on May 26, 1998 for the purpose of engaging in residential real estate mortgage lead generation and real estate loan origination through cooperative television commercials and telephone call centers. The Company's members are Newport Mortgage Partners, a California general partnership, ("Newport") and 1-800-Bar None, a Financial Corporation, Inc., a California corporation, ("1-800-Bar None"). Newport owns a 45% membership interest and 1-800-Bar None owns a 55% membership interest in the Company.

The Company was formed with Newport's contribution of \$425,000 in cash and \$100,000 of office furniture and equipment. The office furniture and equipment was acquired by Newport from a related entity known as Bankers Motor Acceptance Corp. and contributed to the Company by Newport at fair market value.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Use of Estimates**

The preparation of the balance sheet in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet. Actual results could differ from those estimates.

**Concentration of Credit Risk**

Cash balances are maintained at one bank and are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$100,000. The Company's cash balances exceeded the Federal depository insurance limit by \$325,000 at July 10, 1998.

**Income Taxes**

The Company is treated as a partnership for federal and state income tax purposes and does not incur income taxes. Instead, its earnings and losses are included in the personal returns of the members and taxed depending on their personal tax situations. The financial statements do not reflect a liability for income taxes.

**Office Furniture and Equipment**

Depreciation is computed using the straight-line method, based upon the estimated useful lives of the assets. Expenditures for major renewals and betterments that extend the useful lives of the property are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.



**BAR NONE MORTGAGE, LLC  
NOTES TO BALANCE SHEET  
(CONTINUED)**

**NOTE 3: PROPERTY AND EQUIPMENT**

Office furniture and equipment was contributed by Newport on July 1, 1998 at a fair market value of \$100,000 and consists of furniture, computer equipment, fax machines, telephone equipment, and a copier. Accumulated depreciation was not significant as of July 10, 1998.

**NOTE 4: AGREEMENTS**

The Company has entered into an agreement with 1-800-Bar None for administrative services including telephone charge pass through, media management, accounting, call processing systems, certain software and database use and maintenance, and the use of the 1-800-Bar None telephone number.

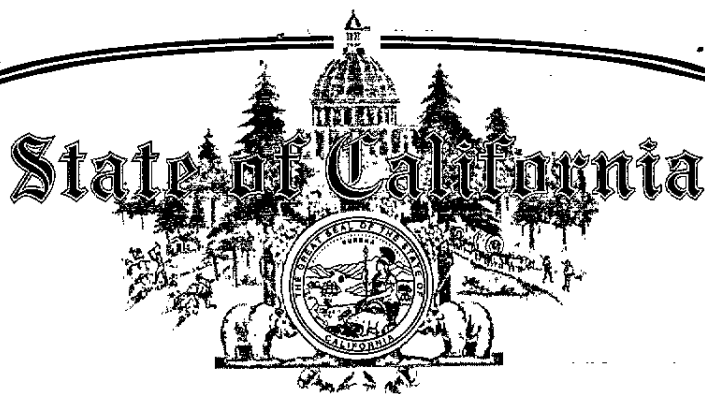
The Company also has entered into an employment agreement with John D. Dewey to serve as Chief Executive Officer (CEO). Mr. Dewey is also a partner in Newport.

At July 10, 1998, no payments had been made under these agreements.

**NOTE 5: COMMON CONTROL**

The Company shares office space with an entity related to the CEO. Existence of this common control could result in financial position different than if the entities were autonomous.

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SECRETARY OF STATE

**CERTIFICATE OF STATUS  
CALIFORNIA LIMITED LIABILITY COMPANY**

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1711 AMASSEE, FL 32113

*I, BILL JONES, Secretary of State of the State of California, hereby certify:*

*That on the 26th day of May, 1998, BAR NONE MORTGAGE, LLC became recognized under the laws of the State of California by filing its Articles of Organization in this office; and*

*That no record exists in this office of a certificate of cancellation of said limited liability company nor of a court declaring cancellation thereof; and*

*That according to the records of this office, the said limited liability company is authorized to exercise all its powers, rights and privileges and is in good legal standing in the State of California; and*

*That no information is available in this office on the financial condition of this limited liability company.*

IN WITNESS WHEREOF, I execute  
this certificate and affix the Great  
Seal of the State of California this  
19th day of August, 1998.



*Bill Jones*  
BILL JONES  
Secretary of State