



JV CAPITAL



JV CAPITAL

OUR BUSINESS

JV Capital is a private mortgage lending company that holds a mortgage brokers license with FSCO (Financial Services Commission of Ontario). Our principals have over 15 years combined experience in the private mortgage industry and have funded in excess of \$30,000,000.00 in residential private mortgages.

We specialize in providing residential mortgage financing solutions to borrowers who do not qualify through the traditional banking system. We offer these solutions through 1st or 2nd mortgages to refinance, restructure or consolidate debt. All of our mortgages have a one-year term, allowing investors to realize attractive yields on their investments without long-term risk exposure.

JV Capital has always taken a conservative approach in how it runs and operates its private mortgage fund. Our mission is to successfully provide our investors with strong, yet consistent, returns on their investments.

As you read along, you will find more information regarding residential private mortgage financings, as well as our companies experience, qualifications and financing methodology. We look forward to developing a strong and lasting working relationship with you.

Sincerely,

JV Capital

INVESTMENT PROPOSAL

► Our Loan Methodology

Given that financial institutions have continued to tighten credit requirements to potential applicants, JV Capital has taken on a more sensible approach to provide these applicants with financial solutions. JV Capital places a very large emphasis on the equity position of its loans to provide a safe and secure lending environment.

Much of the risk inherent in equity-based mortgage financing arises from insufficient equity remaining in the borrower's property to satisfy their existing creditors. JV Capital mitigates this risk by capping the loan-to-value (LTV) that they will lend up to on the property. The key to JV Capital's success has been their ability to secure loans from their borrowers with substantial equity remaining in their homes. Moreover, experience has shown JV Capital that when a borrower has significant equity remaining in their home, they are much less likely to default on their loan and risk losing their home. When a loan's one-year term expires, JV Capital can either renew the mortgage or allow their borrower to repay the mortgage back in full.

► Financial Risk and Exposure

The interest rate paid by a borrower will depend on a variety of factors, including whether the mortgage is in a 1st or 2nd position and the geographic location of the property. Generally, an investor can expect to earn an annual rate of return of 6%-9%. JV Capital has always taken a conservative approach in how it runs and operates its private mortgage business. Due to the diversity of our portfolio, investors are able to choose from a menu of 1st and 2nd mortgages according to their risk appetite. Investors are also provided with the opportunity to syndicate a mortgage with a number of other JV Capital investors, thereby allowing them to spread their exposure over a variety of mortgages and a variety of geographic regions in Canada.

► Geographic Exposure

Given the significant increase in demand for private mortgages, JV Capital has been able to expand to provide private financing all across Canada, with the exception of Yukon, Northwest Territories and Quebec. The vast majority of the mortgages funded by JV Capital are in Ontario and Western Canada. Moreover, JV Capital has access to mortgage deals outside of the major cities to allow investors to diversify into both urban and rural areas. JV Capital has established a sliding risk scale when it comes to its lending portfolio. If a specific area is not heavily populated or does not have a well-established real estate market, the LTV exposure that JV Capital is willing to lend up to will be less than on a comparable property in an urban area.

► Security

As part of the closing of the mortgage transaction, the lawyer will put a security charge on the subject property in favor of JV Capital. JV Capital will therefore hold a security interest in the property as collateral for the loan. If the borrower defaults on their repayment of the loan, the lenders are entitled to enter into foreclosure/power-of-sale proceedings on the property to enforce repayment of their principal and interest. JV Capital will be solely responsible for enforcing security on the loan or employing some other form of exit strategy to discharge the loan as quickly and as profitably as possible.

► Exit Strategy

All JV Capital mortgages are on one year terms, which provides the borrower with an opportunity to repair their credit and to re-qualify for traditional banking sources by the end of the term. Should a borrower still be unable to qualify for the traditional banking system, JV Capital has the option to renew the loan at the end of the term or to find alternate funds to take over the existing loan.

► Administration Activities

JV Capital holds a brokerage license with FSCO and will be responsible for collecting monthly interest payments and remitting them to the investors based on their respective shares. JV Capital will also deal with the renewal and discharge of all mortgages.

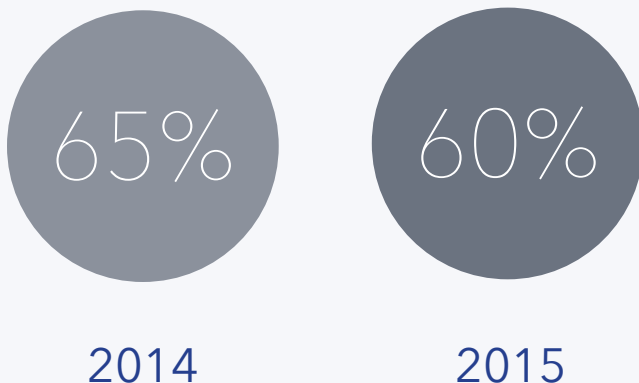
► Closing Process

JV Capital will be responsible for identifying and screening potential mortgages so that they fit within their established risk profile.

Real estate lawyers, acting on behalf of JV Capital and the investors, will then conduct due diligence on the property and drive the mortgage towards closing. This process generally takes 3-4 days. Meanwhile, the investors will enter into an administrative services agreement with JV Capital outlining how JV Capital will administer the mortgage on their behalf.

When funds are requested by the lawyer, the investors will deposit funds into the lawyer's trust account to be held in escrow pending closing. On closing, the lawyer will place a security charge on the property in favor of JV Capital for their beneficial interest in the property.

HISTORICAL RESULTS



► Loan to Value

JV Capital has never had to enter into foreclosure or power-of-sale proceedings with any of our mortgages. In 2014, our investment fund was dispersed into a significant amount of 1st and 2nd mortgages, where our investments had an average loan to value of just under 65%

So far in 2015, our investment fund has been even more conservative from a risk perspective, having an average loan to value of just under 60%.

MANAGEMENT EXPERIENCE

JOSEPH FOOKS

Chief Executive Officer

Joseph has spent more than a decade working in the real estate financing space, with experience in residential, private and commercial mortgages. A founding member of JV Capital, he specializes in first and second privately funded mortgages. Joseph's brokerage house, JV Capital, holds a mortgage brokerage license with FSCO.

LAWRENCE SCHWARTZ

VP of Business Development

Lawrence is an executive of JV Capital and handles the majority of the legal, and business development aspects of the company. As a licensed realtor, Lawrence brings his extensive knowledge and experience in real estate investments. Being a realtor, Lawrence has a great understanding of property values and as such, he is able to provide an added level of due diligence when reviewing the real estate aspect of each file. Lawrence has also been a licensed member of FSCO since 2009.

TESTIMONIALS

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Currently operating as a senior police official in the province of Southern Ontario, I was looking to diversify my investment portfolio. Given the instability in the stock market, and GIC's not paying enough of a return, I decided to seek an alternative route to invest my funds. JV Capital has been able to provide me with a safe, consistent, yet generous return on my investment. I always heard about people investing into mortgages, yet I did not know where to start. JV Capital has earned my trust on all accounts. From handling the origination of the files, legal process and even the discharge of the mortgage, the process was handled with care and professionalism. I have since referred numerous co-workers and friends to JV Capital and as expected, they have only had positive things to say. I look forward to continuing my relationship with JV Capital into the future.

COLIN

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I am a retired senior business executive and lawyer who has been lending on mortgage transactions sponsored by Joseph Fooks and his company JV Capital for over 3 years now. In the past I have worked with other mortgage lenders and brokers, but I much prefer to work with JV Capital because they put my interests, as a lender, first and foremost. Joseph understands how important it is that his lenders are well protected in all his mortgage deals. He looks after every detail in the transaction and follows up promptly when issues arise. He is very knowledgeable regarding the mortgage market and knows how to structure mortgage deals so that the lenders are well protected. Joseph is a man of integrity, dedicated and with a strong passion for his work. He is always available to answer any questions and I feel he always has my best interest at hand. If you are looking for a safe, easy experience, and are looking to expand your investment portfolio, I highly recommend having JV Capital as an investment partner.

RICHARD

TESTIMONIALS

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Having recently retired from 30 plus years of policing the Greater Toronto Area as a Senior Commanding Officer, I was seeking to diversify my investment approach as I entered “semi-retirement”. Working directly with Joseph from JV Capital has proven to be a rewarding experience both in terms of financial return and immersing myself in the realm of private lending and mortgage portfolios. From appraisal to assessment, and to the eventual closing of deals, JV Capital has been extremely professional and has communicated all aspects of the transactions in a clear format. Joseph has been very quick to respond and to alleviate any concerns and to ensure my investments under their oversight remain safe, regulated, and on course for the expected returns. I look forward to expanding my portfolio throughout 2015, and to continued returns on investments that are outperforming most conventional institutions.

**DOUG,
TORONTO, ON**

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I have known Joseph Fooks, owner of JV Capital for approximately 2 years during which time he has sourced and researched various private mortgage investment opportunities for myself and some associates. I have found him to be thorough in his research, the provision of necessary support materials, preparation of Mortgage Commitment documentation, answering any questions or concerns, being the spokesperson for dealing with the prospective borrower, dealing with the lender’s legal counsel and generally representing the interests of the lender in a professional manner. His support and service levels continue beyond the closing of the initial transaction and he has proven to be diligent in his approach to subsequent problems or issues, following up on these in the interests of the borrower. I feel confident in Joe’s integrity and am comfortable to continue to use his services going forward.

For your information I have retired from active involvement in the professional and corporate world, spending my time as a coach to senior executives along with managing my various investments. I am attracted to the private mortgage sector which exists because of the very stringent restrictions of traditional lenders. Provided there is significant due diligence and application of appropriate legal protections, this sector offers potential for a good return on investment. It is paramount that one mitigates the inherent risk in investing in this sector by utilizing the services of an experienced, knowledgeable service provider. I have found Joe to be hard working, responsive, acting always in the best interests of his clients.

GEOFF



JV CAPITAL

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