



CAN Capital Funding LLC Series 2014-1

Analysts

Eric Rapp
+1 212 806 3248
erapp@dbrs.com

Chuck Weiland
+1 212 806 3226
cweiland@dbrs.com

Kathy Tillwitz
+1 212 806 3265
ktillwitz@dbrs.com

Ratings

Series 2014-1	Amount	Interest Rate	Rating	Rating Action
Class A	\$171,000,000	[TBD%]	A (sf)	New Rating – Provisional
Class B	\$20,000,000	[TBD%]	BBB (low) (sf)	New Rating – Provisional

Transaction Parties and Related Information

Issuer:	CAN Capital Funding LLC, a special-purpose limited liability company formed pursuant to the laws of the State of Delaware. The sole equity member of the Issuer is CAN Capital, Inc.
Seller:	CAN Capital, Inc., a Delaware corporation founded in 1998, is a specialty financial services and technology company that provides small and mid-sized businesses with access to capital. Pursuant to an asset purchase agreement between the Seller and the Issuer, the Seller will offer on each transfer date to sell and assign or contribute all of its right to, title and interest in the assets and the related security to the Issuer.
Servicer:	CAN Capital, Inc.
Indenture Trustee:	U.S. Bank National Association, a national banking association will act as trustee under the indenture.
Backup Servicer:	First Associates Loan Servicing, LLC will act as the backup servicer pursuant to the backup servicing agreement.
Primary Asset of the Trust:	The primary assets of the Issuer will be small business loans and closed-end purchases of future payment card receivables.
DBRS Rating Methodology:	Rating Methodology for CLOs and CDOs of Large Corporate Credit
Interest Distribution Dates:	Monthly (15th of the month)
First Interest Distribution Date:	November 15, 2014
Legal Final:	Class A: October 15, 2020 Class B: October 15, 2020
Revolving Period:	30 months after Closing Date

Table of Contents

Ratings	1	Transaction Structure	11
Transaction Parties and Related Information	1	Collateral Description	20
Executive Summary	2	Credit Enhancement	26
Rating Rationale	3	Cash Flow Analysis	26
Methodology	4	Legal Structure	27
Company Information	4	Representations and Warranties	27
Originations	5		
Underwriting	6		
Servicing and Asset Management	9		

**Company Name**

CAN Capital Funding LLC
Series 2014-1

Report Date:

October 2, 2014

Executive Summary

DBRS has assigned provisional ratings to CAN Capital Funding LLC Series 2014-1 (Series 2014-1) as listed above. The Series 2014-1 transaction represents the initial securitization of a portfolio of small business loans and closed-end purchases of future payment card receivables. The portfolio of assets are originated directly or indirectly by subsidiaries of the Seller, CAN Capital, Inc.

CAN Capital, Inc. (CAN or the Company) is a U.S.-based specialty finance business focused on providing capital access to small and mid-sized businesses (Merchants) in the United States that have historically been underserved by traditional financial institutions and may have experienced challenges obtaining affordable or timely financing. The Company uses its proprietary risk scoring models, transactional data, technology systems and platforms to assess risk, provide access to capital and service existing accounts in this space. Since inception in 1998, the Company has provided access to approximately 139,000 small business fundings, with total proceeds of over \$4.3 billion. As of June 31, 2014, CAN had \$463.8 million in outstanding fundings to approximately 16,700 Merchants.

The Company provides Merchants with access to capital through two products: business loans and merchant cash advances (MCAs). CAN Capital Asset Servicing, Inc. (CCAS), a Massachusetts corporation and subsidiary of CAN, provides Merchants with access to a business loan program both directly through CCAS and indirectly through its relationship with WebBank, a Utah-chartered industrial bank, and member of the Federal Deposit Insurance Corporation (FDIC). These loans are fixed rate, fully amortizing business loans that require equal daily Automated Clearing House (ACH) payments.

CAN Capital Merchant Services, Inc. (CCMS), a Delaware corporation and subsidiary of CAN and its subsidiaries (together, MCA Subsidiaries), provide working capital to Merchants by purchasing a specified amount of a Merchant's future payment card receivables in exchange for a discounted purchase price paid in a lump sum up front, also referred to as an MCA. CCMS and its subsidiaries are entitled to receive only a fixed percentage of the Merchant's daily card sales until the specified amount is reached, assuming the Merchant generates sufficient future business revenues. Thus, MCAs do not have a fixed term, maturity date or fixed payments, and the Company estimates the timing to collect the purchased receivables and assumes the risk of loss in such transactions.

CAN and its subsidiaries serve as both the originator and the servicer for the Series 2014-1 transaction. First Associates Loan Servicing, LLC (First Associates) is the backup servicer for the transaction and has experience in both the small business loan and merchant cash advance spaces. U.S. Bank National Association is the Indenture Trustee for the transaction.

Credit enhancement in the transaction consists of overcollateralization, subordination, excess spread and a reserve account. The initial amount of overcollateralization is expected to be 4.50% of the closing pool's closing date balance. The subordination refers to the Class B Notes, which are subordinated to the Class A Notes. The reserve account is 0.50% of the initial pool balance; it will be funded at closing and is non-declining. Initial Class A credit enhancement of 15.00% will include a 0.50% reserve account, overcollateralization of 4.50% and 10.00% subordination. Initial B credit enhancement of 5.00% will include a 0.50% reserve account and overcollateralization of 4.50%. Interest on the Notes is payable monthly and at a fixed rate.

The transaction utilizes a master trust structure, which includes the sale of assets to a newly formed special-purpose entity and pledge of those assets under an indenture with issuance of the Notes pursuant to an indenture supplement. The transaction revolves for an initial 30-month period that expires in 2017, after which principal on the Notes will be paid sequentially, beginning with the Class A Notes.

**Company Name**

CAN Capital Funding LLC
Series 2014-1

Report Date:

October 2, 2014

Rating Rationale

The provisional ratings are based upon a review by DBRS of the following analytical considerations:

- The transaction parties' capabilities with regard to originations, underwriting and servicing.
 - DBRS has performed an operational risk review of CAN and considers the entity to be an acceptable originator. DBRS also deems CAN to be an acceptable servicer of business loans and MCAs, with the presence of an acceptable backup servicer that will assume servicing responsibilities in case the Company is no longer able to service the pool.
 - First Associates is an experienced backup servicer in the small business loan space and the MCA space and is the backup servicer for the transaction. DBRS believes First Associates is an acceptable backup servicer for this transaction.
 - The Company's senior management has considerable experience and a successful track record in small business lending and the MCA space.
 - The Company has a 16-year history of providing capital access to small business, successfully managed its balance sheet through the 2008–2009 recession and has been consistently profitable since the last recession.
- The credit quality of the collateral, the performance of CAN's small business loan and MCA portfolio, and proposed pool.
 - The pool comprises short-term loans and MCAs with a weighted-average remaining term or estimated underwritten turn of approximately [9.55] months.
 - The pool has an expected weighted-average annual return on the collateral pool of approximately 48%, which provides a significant level of first loss protection in the form of excess spread.
 - The pool is geographically diverse, with no state comprising more than [15.64]% of the total and the top four states comprising [38.89]% of the pool.
 - The pool is diversified across a wide range of industries, with no industry accounting for more than [23.39]% of the total and the top five industries comprising [69.94]% of the pool.
 - Eligibility criteria to maintain the pool's credit quality is set forth in the legal documents for the revolving period.
- The transaction has both collateral pool and servicer financial solvency performance triggers that protect the noteholders in stressed environments.
 - There are early amortization triggers based on the performance of the collateral pool, including minimum excess spread and minimum asset sufficiency. If these triggers are breached, an early amortization event will occur.
 - There is a collateral pool performance trigger based on minimum excess spread. If this trigger is breached, the backup servicer will transition to a "Hot Backup" status.
 - In the event the servicer is terminated, the backup servicer will become the successor servicer within thirty days.
 - The servicer is required to maintain certain financial covenants based on liquidity, tangible net worth and leverage ratio; failure to maintain these covenants will result in a servicer default.
- Transaction capital structure and form and sufficiency of available credit enhancement.
 - Credit enhancement levels are sufficient to support DBRS-projected cumulative net loss assumptions under various stress scenarios.
 - The ability of the transaction to withstand stressed cash flow assumptions and repay investors in accordance with the terms of the transaction documents. For this transaction, the rating addresses the payment of timely interest on a monthly basis and principal by the legal final maturity date.
- The legal structure and presence of legal opinions, which address the true sale of the assets to the issuer, the non-consolidation of the special-purpose vehicle with CAN, and that the trust has a valid first-priority security interest in the assets and is consistent with the DBRS methodology *Legal Criteria for U.S. Structured Finance*.



Company Name

CAN Capital Funding LLC
Series 2014-1

Report Date:

October 2, 2014

Methodology

The transaction was rated using the *Rating Methodology for CLOs and CDOs of Large Corporate Credit*, with the methodology typically applied to pools of large corporate obligations. DBRS has adjusted the correlations used in the methodology to reflect the difference in credit risk between large to small and mid-sized corporate credits to which CAN funds as described further in the Cash Flow Analysis section.

Company Information

CAN is a U.S.-based specialty finance business focused on providing capital access to small and mid-sized businesses in the United States. The Company is headquartered in New York, New York, and has regional offices in Kennesaw, Georgia; San José, Costa Rica; and Salt Lake City, Utah. As of August 31, 2014, CAN had over 450 full time employees. The Company was founded in 1998 and provides access to loans and MCAs to Merchants with year-round operations located throughout the United States. Since 1998, the Company has provided access to approximately 139,000 small business fundings, totaling over \$4.3 billion, and as of June 31, 2014, had \$463.8 million in unamortized funded amount to approximately 16,700 Merchants, which comprised 64% loans and 34% MCAs.

The Company provides access to capital to small and mid-sized businesses that have historically been underserved by traditional financial institutions and may have experienced challenges obtaining affordable or timely financing. Traditional financial institutions generally focus on small business owners' personal credit history, while CAN focuses not only on the small business owners' personal credit history, but also on the performance of the small businesses themselves, using traditional and non-traditional data sources. Data sources include daily payment card sales, bank statements, personal and business credit data and other firmographic data.

CAN has developed dynamic risk scoring models that leverage its extensive history of daily transactional data, revenue trends and performance profiles that have been collected since its founding in 1998. CAN has also developed a proprietary daily remittance platform (Daily Remittance Platform) that automatically processes collections from CAN's portfolio, provides daily visibility into asset performance and collects payment and cashflow data for further analysis. By combining its dynamic scoring models, Daily Remittance Platform, live customer service and other systems, CAN has created daily remittance financial products and extended capital sources to Merchants historically underserved by traditional financial institutions.

The Company provides Merchants with access to capital through two products: business loans and MCAs. CCAS, a subsidiary of CAN, provides Merchants with access to a business loan program both directly through CCAS and indirectly through its relationship with WebBank, a Utah-chartered industrial bank and FDIC member. These loans are fixed rate, fully amortizing business loans that require equal daily ACH payments.

CCMS, a Delaware corporation and subsidiary of CAN, and CCMS' subsidiaries (together, MCA Subsidiary) provide working capital to Merchants by purchasing a specified amount of a Merchant's future payment card receivables in exchange for a discounted purchase price paid in a lump sum up front, also referred to as an MCA. CCMS and its subsidiaries are entitled to receive only a fixed percentage of the Merchant's daily card sales until the specified amount is reached, assuming the Merchant generates sufficient future business revenues. Thus, MCAs do not have a fixed term, maturity date or fixed payments, and the Company estimates the timing to collect purchased receivables and assumes the risk of loss in such transactions.

CAN and its subsidiaries source new assets through multiple channels, including brokers, direct branded marketing, direct co-branded marketing and renewals. The Company has relationships with over 200 active regional and national third-party independent sales organizations (ISOs), also known as brokers, which are mainly in the merchant acquisition, credit card processing and equipment leasing business. CAN also engages in direct branded marketing through multiple channels, including direct mail, digital advertising and outbound telemarketing. The Company maintains and continues to expand a prospect database, with over three million leads.

**Company Name**

CAN Capital Funding LLC
Series 2014-1

Report Date:

October 2, 2014

CAN engages in co-branded direct marketing with a number of partners, mainly banks and payment processors that want to offer loans and MCAs to their small business customers but do not want to conduct direct marketing programs themselves. Finally often CAN offers renewal fundings to Merchants that have performed well and are nearing the end of their current funding contract. All renewals undergo a full underwriting process before funding. Approximately 63% of the assets placed in this transaction at closing were renewal fundings while the other 37% were new fundings. These new fundings were originated from the following channels: brokers (75%), direct co-branded (8%) and direct (18%).

CAN also purchases small business loans originated by WebBank that have been sourced by CCAS on behalf of WebBank through both CAN's direct and indirect acquisition channels. WebBank underwrites, originates and funds the loans to the Merchants. CCAS acts as the servicer to WebBank, marketing and promoting the loan program to the Merchants, providing application processing services based on WebBank's predetermined credit criteria, collecting and processing daily loan payments, and providing other loan servicing for which the WebBank pays CCAS' various fees. Pursuant to a loan sale agreement, WebBank may offer to sell certain of these loans to CCAS, which CCAS may elect to purchase, but CCAS has no obligation to purchase any loans.

The Company's senior management has substantial experience in small business lending, MCAs, consumer credit cards, direct marketing and financial technology. The team includes members with financial management experience at JP Morgan Chase, GE Capital, Citibank and 1st Financial Bank USA.

Originations

CAN sources new assets through multiple acquisition methods. CAN has over 200 active relationships with regional and national third-party independent sales organizations (ISOs) principally in the merchant acquiring, credit card processing and equipment leasing verticals. The ISOs submit applications via fax, e-mail, custom-designed digital portals, mobile applications and API connectivity. CAN continues to expand its digital tools to increase speed and ease for ISOs to submit applications and receive offers.

CAN engages in direct branded marketing of loans and MCAs, using multiple channels, including direct mail, digital advertising and outbound telemarketing. Merchants responding to direct marketing are directed to an inbound telesales center, CAN's website or mobile applications. Merchants who respond via the inbound telesales center are serviced by professional sales representatives in a company-owned telesales center located in Kennesaw, Georgia. Merchants who respond via the web go to CAN's fully functional digital application website, which gives the Merchant the ability to complete the application process, including digital signature of documents, without talking to a sales representative. At present, approximately 20% of customers who start the online process complete it. Those that do not complete it are referred to the sales center for further service.

Sales representatives undergo an evaluation before being hired into a 90-day training program, during which time they learn about CAN, its technology and the different financial products it makes available to Merchants. In addition, sales representatives receive ongoing training on new products, selling and consultative skills.

CAN maintains a prospect database, which currently has over three million small businesses and is regularly expanded with additional data to improve its targeting and direct marketing response. CAN also uses lead provider and aggregator services, and is testing new direct response techniques, including affiliate and tradeshow marketing and direct response media.

CAN also has a number of relationships, typically with large banks and payment processors, where the counterparties want to offer loans and MCAs to their small business customers, but do not want to conduct specific marketing or sales programs on their own. For these relationships, CAN uses marketing efforts similar to its direct branded programs, but the calls and mail-pieces are typically co-branded.

**Company Name**

CAN Capital Funding LLC
Series 2014-1

Report Date:

October 2, 2014

Merchants that are performing and have either completed a transaction in the prior six months or are nearing the end of their existing agreement are marketed for a subsequent transaction (Renewal). Merchants eligible for Renewals are marketed using direct mail, inbound and outbound telemarketing from a dedicated professional renewal sales team and an on-line account management system. All Renewals undergo the full underwriting process before funding. CAN typically has a 24-hour turnaround time for Renewals.

Bank Affiliation Program

CAN also purchases small business loans originated by WebBank, which have been sourced by CCAS on behalf of WebBank through CAN's direct and indirect acquisition channels. CCAS acts as a servicer to WebBank, marketing and promoting the loan program to Merchants, providing application processing services based on WebBank's pre-determined credit criteria, collecting and processing daily loan payments, and providing other loan servicing for which WebBank pays CCAS various fees. CCAS processes Merchants' applications for small business loans based on WebBank's credit policy. In processing these applications, CCAS uses CAN's proprietary technology platform and systems. CCAS refers qualifying applicants to WebBank, which reviews the referred Merchants and exercises its discretion to approve or decline a loan. All small business loans made by the WebBank under the program are serviced by CCAS. CCAS uses CAN's proprietary servicing system to collect and process the daily payments on the Bank Loans. Principal and interest are collected by CCAS on behalf of, and remitted to, WebBank. WebBank may offer to sell certain Bank Loans to CCAS. CCAS may elect to purchase the loans offered by WebBank, but has no obligation to do so.

Underwriting**MCA Underwriting**

The MCA underwriting process begins with a Merchant prequalification application, (Prequal). Merchants can submit their applications via mail, fax, CAN's website or through one of the hundreds of ISOs with which CAN does business. The Prequal application includes standard business information such as the business' name, address, industry, tax ID and owner's social security number, as well as business performance information such as annual sales and monthly credit card volume.

The MCA Subsidiary then pulls both the business' and the owner's credit bureau files and completes several automated steps, such as confirming that the business does not have an open bankruptcy tradeline, and calculates CAN's proprietary risk score (CAN Score™). Rather than relying upon FICO or other publicly available scoring measures, the MCA Subsidiaries use the CAN Score™, which is based upon a combination of submitted business performance data, historical data proprietary to CAN drawn from its own unique data warehouse, and credit bureau data.

The MCA Subsidiary will generate an automated decision on each Prequal application based on the information provided by the Merchant and the CAN Score™. With respect to most Merchant profiles, the MCA Subsidiary will approve Prequal applications with a CAN Score™ of 25 or less. Each MCA Subsidiary utilizes an integrated approach to underwriting by solving for each Merchant's funding need and designing transactional terms to avoid adversely affecting the business' cash flows—the current portfolio average retrieval rate is approximately 8% of gross annual revenue. Utilizing a risk-based pricing approach and solving for a minimum return on investment, the system generates funding alternatives for each Merchant, which include the specified amount of future receivables to be purchased from the Merchant, the purchase price to be paid and the specified percentage of the Merchant's daily payment card sales that the processor will remit to the MCA Subsidiary.

All declines undergo a manual review process. In connection with a manual review, the underwriting team may request and review additional documentation and other information such as business tax returns or business bank statements.

**Company Name**

CAN Capital Funding LLC
Series 2014-1

Report Date:

October 2, 2014

Merchants that are presented with funding options that do not meet their funding needs may discuss their options with a representative of the applicable MCA Subsidiary or with one of the ISOs with which CAN does business and potentially alter the terms made available. Representatives have access to the MCA Subsidiary's Merchant Based Pricing System where they can adjust the purchase price, specified amount or specified percentage, within certain boundaries. The system uses an interactive "red light – green light" module to alert the representative to those combinations that meet the MCA Subsidiary's criteria.

Merchants that accept one of the funding options made available enter the submission stage (Submission) by executing a future receivables purchase and sale agreement (an MCA Agreement) that sets forth the applicable terms and by providing at least the last two months of its credit card processing statements. The Submission is assigned to a contract administrator and an underwriter who confirms the accuracy of the information provided in the Prequal application. During the underwriter's review, he or she may request additional information, including recent bank statements, recent tax returns or additional credit card processing statements if the underwriter suspects the most recent statements may have been affected by seasonality. The contract administrator and underwriter also may require a site visit or landlord reference. If the contract administrator or underwriter is not able to verify the accuracy of the information provided in the Prequal application, the application may be declined or the underwriter may offer the Merchant adjusted terms based on the corrected information.

The contract administrator and the underwriter verify the business' and owner's identities as required under the MCA Subsidiary's Know Your Customer/customer identification policies and procedures. They will also check that the business and owner are not on the Office of Foreign Assets Control (OFAC) list. The contract administrator and underwriter use reasonable efforts to complete due diligence on the Merchant and business owner through site visits, in-person interviews, document and ownership verification or the use of verification services from third parties such as Experian plc, Accurant, LexisNexis, Dunn & Bradstreet, or Secretary of State websites. The contract administrator also verifies that the business has a business bank account.

Submissions that successfully complete the verification process are approved to be funded. The purchase price is paid either by wire transfer or through an ACH transfer directly to the Merchant's business bank account, not into a personal account of the business owner.

WebBank Loan Underwriting

A substantial portion of the small business loans purchased by the Issuer are originated by WebBank. WebBank may offer to sell certain loans that it originated to CCAS. If CCAS elects to purchase the offered loans, CCAS wires the purchase price for the loans to WebBank, and CCAS becomes the owner of the loans. The underwriting for the small business loan program is controlled by WebBank pursuant to its credit policy. WebBank retains sole authority to approve or deny applications. As a servicer to WebBank, CCAS applies the WebBank's credit policy as part of processing applications for loans.

The loan underwriting process begins when Prequal applications are submitted to CCAS. Through CCAS as servicer, WebBank uses CAN's technology platform and know-how, including CAN Scores™ and the proprietary servicing system. Among other things, WebBank uses CAN's decision engine to apply the requirements of its credit policy to generate automated decisions on Prequal applications. WebBank generally approves Merchants with a CAN Score™ of 25 or less, subject to additional eligibility criteria applied later in the underwriting process. WebBank uses CAN's technology to automatically generate Bank Loan options (i.e., different combinations of principal amount, repayment amount, term and weekday payment amount) for Merchant applicants in a "mass customization" process that complies with WebBank's credit policy and applies a risk-based pricing model designed to address each Merchant's specific funding need, without adversely affecting the Merchant's cash flow, while solving for minimum return hurdles.

CCAS, as servicer, performs a manual review of all Prequal applications that are not approved in the automated evaluation process. In connection with a manual review, CCAS may request and review additional documentation and other information.

**Company Name**

CAN Capital Funding LLC
Series 2014-1

Report Date:

October 2, 2014

Merchants that accept one of the loan options made available in the Prequal application phase enter the submission phase by executing a business loan agreement (Loan Agreement) with WebBank that sets forth the applicable loan terms and by providing either the last two months of credit card statements or, for Merchants with less than 10% of their overall sales volume from credit cards, the last two months of bank statements. A CAN representative confirms the accuracy of the information in the Prequal application and may request additional information from the Merchant, including site visits and/or landlord references. If CAN is not able to verify the accuracy of the information provided in the Prequal application, the application may be declined or modified and presented to the Merchant based on the verified information. The assigned personnel verify the identities of the Merchant and any individual guarantors as required by Anti-Money Laundering/Bank Secrecy Act policies and also perform an OFAC search. CAN also verifies the Merchant's business bank account and issues the required adverse action notices to Merchants whose applications are declined or that decline WebBank's counter-offers.

On each banking day, CCAS provides WebBank with a file reflecting Merchant submissions that satisfy WebBank's credit policy, other policies and the required verification steps. With respect to Merchant applicants that it approves, WebBank transfers the principal amount of the bank loan from its own bank account to the bank account of the approved Merchant, either by wire transfer or through an ACH payment. Loan proceeds are deposited directly to the Merchant's business bank account.

CCAS Loan Underwriting

In addition to acting as the servicer for WebBank, CCAS also directly originates loans in certain states. CCAS does not originate loans in states that require non-banks to be licensed to originate commercial loans (other than California, in which CCAS is licensed under the Finance Lenders Law). Currently less than 1% of the portfolio of loans owned by CAN was originated directly by CCAS. Under the current agreement with WebBank, CCAS may directly originate up to 10% of the total loan volume of the program.

CAN Score

Each of the MCA Subsidiaries, CCAS and WebBank utilize CAN's proprietary scoring models. The scoring models assign each Merchant a scaled score, ranging from one to 100. Merchants with lower scores have a lower probability of becoming non-performing. For most Merchant profiles, Merchants with scores less than or equal to 25 are approved through the automated underwriting process. The current portfolio average score of the statistical pool as of August 31 is approximately 9.

The CAN Score™ is routinely monitored, tested, validated and updated by CAN's Risk and Analytics team. The score uses thousands of data elements from multiple sources, including the credit bureaus, business sales performance and information collected during the underwriting process:

- Business Performance: analysis of business risk metrics, including sales volume and trends in sales volume.
- Firmographic Risk: analysis of business risk metrics, including business type and the length of time in existence.
- Contract Risk: analysis of contract specific risks, including the requested funding amount and the Estimated Turn of an MCA transaction or term of a loan transaction.
- Business Management Risk: analysis of owner and business risk metrics, including trade line performance, the business' credit history and the owner's personal credit history.
- Macroeconomic Factors: analysis of industry seasonality, year-over-year revenue trends, bankruptcy trends and governmental factors.
- Past Performance: for Renewals, analysis of previous MCA Agreement and/or Loan Agreement performance.

The CAN Score™ is designed as a neural network, continuously learning from the performance data CAN receives each day about its Merchant clients. The model's inputs and algorithms are updated each night as part of CAN's standard system processing. The continuously adapting score allows CAN to react to changing business conditions in real-time. As macroeconomic, geographic or industry trends appear, the score automatically adjusts, allowing CAN to adjust pricing and underwriting policies.

**Company Name**

CAN Capital Funding LLC
Series 2014-1

Report Date:

October 2, 2014

Servicing and Asset Management

CAN acts as servicer. CAN began servicing MCAs in 1998, commencing with CCMS's origination of its first merchant cash advance transaction. CAN began servicing small business loans in April 2010.

CAN's servicing, customer service and collections teams are staffed by dedicated personnel located in the Kennesaw, Georgia office. These teams are primarily engaged in monitoring loan payments and remittances of purchased receivables, investigating non-performing accounts for potential covenant breaches, making Uniform Commercial Code filings, customer service, collections and workouts. As of August 31, 2014, CAN's servicing, customer service and collections teams were staffed by approximately 40 dedicated personnel.

CAN utilizes its proprietary servicing system to automatically process collections on the assets it services. This includes payments on small business loans and remittances of purchased receivables in MCA transactions, which entail weekday ACH debits of a Merchant's business bank account or remittance of a fixed percentage of a Merchant's payment card sales by the Merchant's card processor. The servicing system thereby collects daily revenue and cash flow data from Merchant customers, providing CAN with daily visibility into asset performance that informs both servicing and risk model development. CAN's systems compile this data nightly and use it to automatically update the scorecard databases in order to risk-assess new Merchant applicants and assign servicing queues and workflows with respect to existing customers.

CAN's customer service team handles administrative requests and other inquiries received from Merchants, including updating Merchant contact information, responding to complaints and issuing account status letters. CAN employs a collection strategy on defaulted loans and breached MCA agreements that utilizes outbound phone calls, collection letters, email notifications and a network of attorneys available to assist in litigation activities, all in compliance with the underlying loan agreement or MCA agreement as applicable.

MCAs Remittances and Loan Payments

For loan payments, fixed daily payments are withdrawn automatically from the Merchant's business bank account via CAN's designated ACH operator. For MCA remittances, either the Merchant's payment card processor remits a fixed percentage of the Merchant's daily card sales to CAN, or CAN's ACH operator debits the MCA Subsidiary's portion of the Merchant's daily card sales from the Merchant's business bank account. Each Merchant authorizes CAN to either debit its designated bank account or have a fixed percentage of its payment credit card sales remitted to the applicable MCA Subsidiary.

Asset Management

Throughout the lifecycle of the assets, CAN compares the actual payment and remittance performance of the assets with anticipated performance profiles. CAN's system automatically flags Merchants that are paying or remitting outside expectations projected at underwriting and directs them to an asset performance workflow. Once CAN's systems flag a temporary break in payments or remittances, an asset management group (Asset Management) conducts proactive outreach to determine cause and prevent further deterioration. For example, when no payment or remittance has been received with respect to a given Merchant account for two to seven consecutive business days, that account is assigned for investigation. As part of an investigation, Asset Management typically attempts to contact the owners or other authorized representatives of the Merchant to determine the reason for the missed payments or remittances. In the early stages of an investigation, certain issues may be easily identified and resolved, such as ensuring the correct operation of the Merchant's point-of-sale system for accepting payment cards, the Merchant's connection to the payment card processor or ACH access to the correct bank account of the Merchant.

If the Merchant account issues remain unresolved for more than seven consecutive business days, the account may be placed into a workflow queue for further investigation. Such accounts also may be assigned to Asset Management representatives based on a skills-based routing approach. If the representative is able to contact a business owner or other authorized representative of the Merchant, the representative will request information regarding the absence of payments or remittances.

**Company Name**

CAN Capital Funding LLC
Series 2014-1

Report Date:

October 2, 2014

If contact cannot be made with a Merchant, CAN may utilize the “secret shopper” program, attempt to contact the Merchant’s landlord or previous payment card processor, or use skip tracing tools to locate and ultimately establish contact with an owner or other representative of the Merchant. During a secret shopper site visit, a third party visits the Merchant’s business location and collects on-site intelligence that is provided to CAN. For MCA Merchants, for example, the secret shopper may make a purchase at the Merchant location to determine whether the Merchant is using the designated payment card processor exclusively or discouraging the use of payment cards by its customers (e.g., by posting “cash only” signs), which may constitute breaches of covenants in the Merchant’s MCA Agreement.

With respect to MCAs the Asset Management representative will investigate and assess whether or not there is reasonable evidence that the Merchant breached covenants that gives rise to recourse against the Merchant or if there is no recourse against the Merchant, for example, because the Merchant simply went out of business. If the investigation determines no MCA remittances have been made for a reason that complies with the terms of the MCA Agreement (e.g., the Merchant went out of business without a prior breach of a CAN contractual covenant), then the account is forwarded to the Collections Department to be closed.

For those accounts where there is evidence of a breach of a covenant or an event of default, the representative may seek to have the Merchant cure the breach or default, or enter into a workout or settlement agreement. Terms of workouts and settlement agreements will vary based on a number of factors, including the amount in controversy and the Merchant’s willingness and ability to pay. In workout and settlement situations, Asset Management representatives seek to maximize recoveries and minimize collection costs, while ensuring compliance with the terms and conditions of underlying agreements. Asset Management representatives typically do not agree to a workout or settlement prior to an account’s entering non-performing status. If the Asset Management representative is unable to contact an owner or authorized representative of the Merchant, or is unable to negotiate a workout or settlement with respect to a defaulted agreement, the representative may forward the account to Collections for further investigation.

Collections

When an account goes thirty-two consecutive days with no payment or remittance, it is declared “non-performing.” Accounts that have been declared non-performing are not subject to “re-aging.” All non-performing assets are written-off on the last business day of the fourth month after the account is declared non-performing.

Non-performing accounts are forwarded to collections (Collections) for further investigation. Accounts with an event of default or breach of a covenant, but which are not yet non-performing, are forwarded to Collections at the discretion of Asset Management. Accounts forwarded to Collections may be assigned to a Collections representatives based on a skills-based routing. If Collections is unable to contact a business owner or other authorized representative of the Merchant, Collections may send letters of increasing urgency and/or apply “skip tracing” tools. If Collections is able to contact the Merchant, it will inquire as to why the account became non-performing. If the account became non-performing for a reason that complies with the terms of the MCA Agreement, then Collections will cease collections activities and close the account. If Collections determines there is reasonable evidence of a breach of a covenant or an event of default, Collections may seek to have the Merchant cure the breach or default, or enter into a workout or settlement agreement. Terms of workouts and settlement agreements will vary based on a number of factors as previously noted. Workouts and settlements at this stage often are for amounts less than the original repayment amount of the Loan Agreement or specified amount of the MCA Agreement, as the case may be, and may entail payment methods and/or payment frequencies different than those contemplated by the original agreements (e.g., the Merchant may agree to make settlement payments in lieu of damages by paying the Servicer once a month by check).

If Collections determines that further collection action is unlikely to be successful with respect to an account with an event of default or breach of covenant, it will provide an assessment of collectability to CAN’s management, who will determine, in its discretion, whether or not to close the account. Non-performing accounts with a breach or default that are near or past their write-off date and for which there is no final workout or settlement agreement with the Merchant are forwarded to Legal Collections for further handling.

Company Name

CAN Capital Funding LLC
Series 2014-1

Report Date:

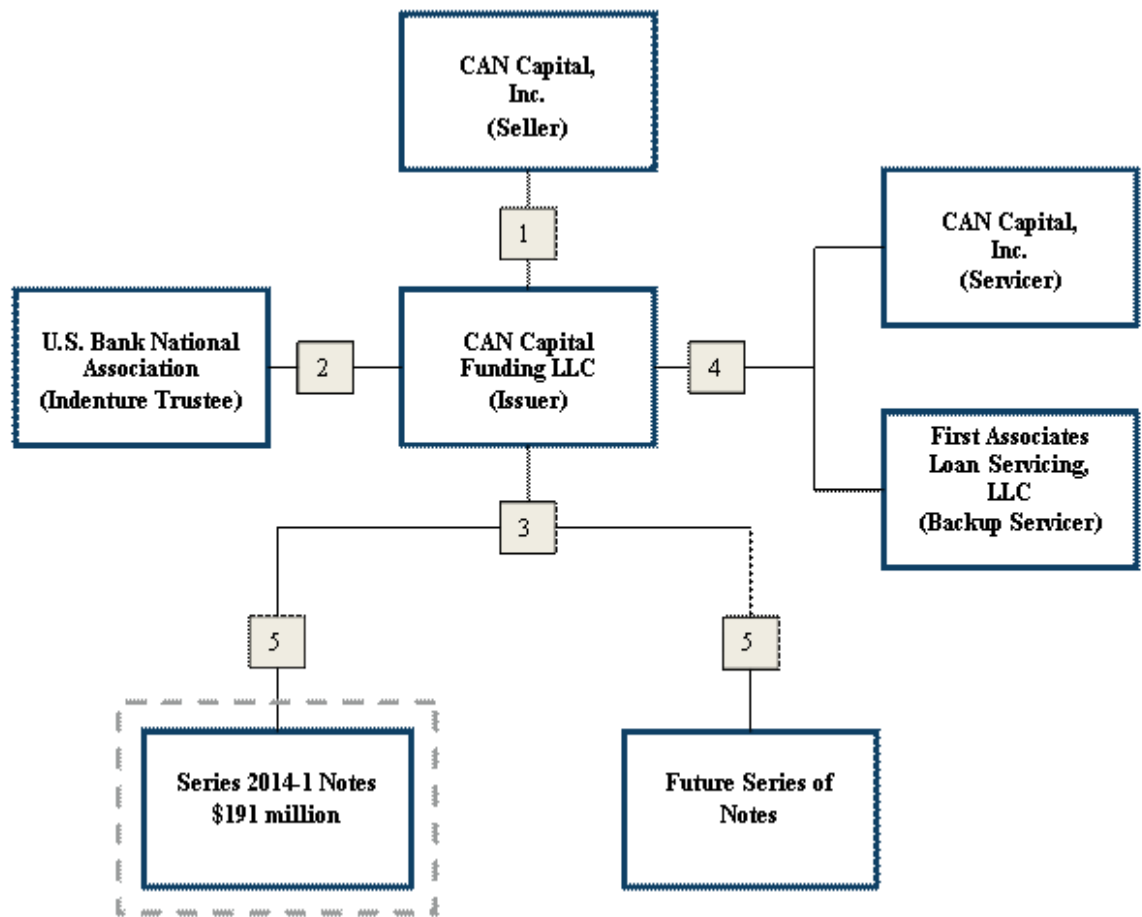
October 2, 2014

Legal Collections

Legal collections (Legal Collections) handles accounts with a breach or default that have been referred by Collections or that have violated the terms of a previous workout or settlement agreement. With respect to any such account, the Legal Collections team may notify the Merchant that its account has been referred to counsel for legal action, including potential litigation. The Legal Collections team may handle such matters in-house or may refer such matters to an approved outside law firm. Legal Collections is also responsible for processing accounts where the Merchant has become the subject of a bankruptcy proceeding.

Transaction Structure

The transaction is structured as a master trust and will allow for future issuance of additional series. Each series of Notes will be created by an Indenture Supplement. The initial series contains a 30-month revolving/reinvestment period, after which the series Notes will amortize until the Notes are reduced to zero.



- (1) On the Closing Date, the Seller will transfer Loans and Merchant Cash Advances (each as defined below, and collectively, the Assets) to the Issuer for cash available from the sale of the Series 2014-1 Notes or as a contribution of capital to the Issuer. From time to time thereafter, the Seller may transfer additional Assets to the Issuer for cash available from payments on the Assets owned by the Issuer, the issuances of additional series of notes or otherwise as contributions to capital of the Issuer. For further detail, see "Description of the Asset Purchase Agreement—Sale of the Assets" in this Offering Memorandum.
- (2) The Issuer pledges the Assets it acquires from the Seller and certain other assets to the Indenture Trustee to secure its notes, including the Series 2014-1 Notes. For further detail, see "Description of the Indenture—The Collateral" in this Offering Memorandum.
- (3) The Issuer issues the Series 2014-1 Notes and from time to time in the future may issue additional series of notes.
- (4) The Servicer services the Assets and causes amounts received in respect of the Assets to be transferred to the collection account. The Backup Servicer will provide certain services in respect of reports generated by the Servicer and other matters and, in the event that the Servicer is terminated after a Servicer Default, will agree at the request of the Indenture Trustee to act as the successor servicer. For further detail, see "Description of the Servicing Agreement—Servicing Duties" and "Description of the Backup Servicing Agreement—Duties as Hot Backup Servicer" in this Offering Memorandum.
- (5) The Indenture Trustee uses collections on the Assets allocated to the Series 2014-1 Notes to make payments on the Series 2014-1 Notes pursuant to the payment priorities described under "Description of the Series 2014-1 Notes—Monthly Distributions" in this Offering Memorandum and will use collections allocated to any other series of notes issued by the Issuer to make payments on those notes in accordance with the priorities set forth in the applicable indenture supplement.

**Company Name**

CAN Capital Funding LLC
Series 2014-1

Report Date:

October 2, 2014

The Issuer will apply the net proceeds from the sale of the CAN Series 2014-1 Notes to acquire the pool of loans and MCAs from CAN currently financed in warehouse facilities and to make the initial deposit to the reserve account.

CAN, as Seller, makes certain representations and warranties with respect to each contract sold pursuant to the asset purchase agreement, including those comprising the initial and subsequent purchases. Each representation and warranty is made as of the Closing Date in the case of the initial contracts and on the applicable date of each transfer with respect to additional contracts. All rights and remedies in respect of such representations and warranties are assigned to the Indenture Trustee for the secured parties.

Total Available Collections means, with respect to any payment date:

- (1) The collections allocated to the holders of the Series 2014-1 Notes;
- (2) The investment income on amounts on deposit in the Series 2014-1 collection account; and
- (3) Investment income on amounts on deposit in the Series 2014-1 interest and expense account.

Priority of Payments

On each payment date, the Indenture Trustee shall apply the Total Available Amount in the Series 2014-1 settlement account in the following order of priority:

- (1) To the Indenture Trustee, an amount equal to the Series 2014-1 invested Percentage of all accrued and unpaid fees, expenses and indemnities then due but not exceeding the annual indenture trustee fee limit as long as no event of default has occurred;
- (2) To the Servicer, the Series 2014-1 servicing fee payable to the Servicer on that payment date;
- (3) To the Backup Servicer, the Series 2014-1 invested percentage of the backup servicing fee but not exceeding the annual backup servicer fee limit;
- (4) To the Series 2014-1 Note distribution account, accrued and unpaid interest to be paid (i) to the holders of the Class A Notes and (ii) to the holders of Class B Notes; the Series 2014-1 reserve account and the Series 2014-1 cash trapping account, if available, will supplement any shortfalls;
- (5) On the legal final payment date, to the Series 2014-1 Note distribution account, the outstanding principal balance of the Series 2014-1 Notes, paid (i) to the holders of the Class A Notes and (ii) to the holders of Class B Notes; the Series 2014-1 reserve account and the Series 2014-1 cash trapping account, if available, will supplement any shortfalls;
- (6) During the Series 2014-1 revolving period, to the Series 2014-1 uninvested principal account, the amount necessary to cause the balance on deposit therein to equal the product of (a) the excess of (x) the greater of (i) the sum of (A) the aggregate outstanding principal balance of the Class A Notes and (B) the Class A required overcollateralization amount and (ii) the sum of (A) the aggregate outstanding principal balance of the Series 2014-1 Notes and (B) the Class B required overcollateralization amount over (y) the adjusted performing asset balance allocable to the Series 2014-1 Notes and (b) the maximum advance rate;
- (7) During the Series 2014-1 amortization period, to the Series 2014-1 Note distribution account, the Series 2014-1 principal amortization amount that will be paid (i) to the holders of the Class A Notes and (ii) to the holders of Class B Notes; the Series 2014-1 reserve account and the Series 2014-1 cash trapping account, if available, will supplement any shortfalls;
- (8) First, to the Series 2014-1 reserve account until it reaches the reserve account required balance, and second, if a cash trapping period is in effect, to the Series 2014-1 cash trapping account the product of (x) the total available amount remaining after giving effect to the payments made under clauses (i) through (vii) above and clause (a) hereof and (y) the cash trapping percentage;

**Company Name**

CAN Capital Funding LLC
Series 2014-1

Report Date:

October 2, 2014

(9) On a pro rata basis, to the Indenture Trustee, any remaining fees, expenses and indemnities not covered above and the Backup Servicer, any unpaid series 2014-1 backup servicing fees not covered above; and

(10) To or at the direction of the Issuer, the amount remaining in the Series 2014-1 settlement account.

Following the occurrence of a Rapid Amortization Event, the Indenture Trustee will apply the total available amount in the following order:

(1) To the Indenture Trustee, an amount equal to the Series 2014-1 invested percentage of all accrued and unpaid fees, expenses and indemnities then due but not exceeding the annual indenture trustee fee limit as long as no event of default has occurred;

(2) To the Servicer, the Series 2014-1 servicing fee payable to the Servicer on that payment date;

(3) To the Backup Servicer, the Series 2014-1 invested percentage of the backup servicing fee but not exceeding the annual backup servicer fee limit;

(4) To the Series 2014-1 Note distribution account, accrued and unpaid interest to be paid (i) to the holders of the Class A Notes and (ii) to the holders of Class B Notes; the Series 2014-1 reserve account and the Series 2014-1 cash trapping account, if available, will supplement any shortfalls;

(5) To the Series 2014-1 Note distribution account, the outstanding principal balance of the Series 2014-1 Notes, to be paid (i) to the Class A Notes and (ii) to the Class B Notes; the Series 2014-1 reserve account and the Series 2014-1 cash trapping account, if available, will supplement any shortfalls;

(6) On a pro rata basis, to the Indenture Trustee, any remaining fees, expenses and indemnities not covered above and the Backup Servicer, any unpaid series 2014-1 backup servicing fees not covered above, and

(7) To or at the direction of the Issuer, the amount remaining in the Series 2014-1 settlement account.

The Indenture Trustee will make the following distributions from amounts on deposit in the series 2014-1 note distribution account as follows:

(1) First, to the Series 2014-1 Notes, accrued and unpaid interest and, second, to the Class B Notes accrued and unpaid interest, and

(2) Second, during the Series 2014-1 amortization period, first, to the Class A Notes until paid in full and then, second, to the Class B Notes until paid in full.

Events of Default, with respect to any series of Notes, means any one of the following events:

(1) A default in the payment of interest on any note of any series, when due and the continuation of that failure for five business days;

(2) A default in the payment of principal of any note of any series when due;

(3) A default in the observance or performance of any covenants or agreements of the issuer in the transaction documents, which default continues or is not cured for a period of 30 days, or for such longer period, not in excess of 60 days, as may be reasonably necessary to remedy the default subject to the satisfaction of certain conditions, after the Issuer has actual knowledge thereof or the Issuer has received written notice of that failure;

(4) An event that causes the Issuer to be treated as an association taxable as a corporation or as a publicly traded partnership taxable as a corporation or otherwise to be subject to U.S. federal income tax on a net income tax basis;

**Company Name**

CAN Capital Funding LLC
Series 2014-1

Report Date:

October 2, 2014

(5) The SEC or other regulatory body having jurisdiction reaches a final determination that the Issuer is an “investment company” within the meaning of the Investment Company Act; or

(6) Certain bankruptcy or insolvency events occur with respect to the Issuer.

Rapid Amortization Event: with respect to the Series 2014-1 Notes, means any one of the following events:

(1) Any **Trigger Event** shall occur as of any monthly reporting date;

- (a) The aggregate number of Merchants with respect to the pooled assets is less than 500, or
- (b) The three-month average weighted-average excess spread was less than 11.00%;

(2) The adjusted performing asset balance is less than the Series 2014-1 target asset balance;

(3) A Servicer Default occurs other than type (5) defined below;

(4) An event of default with respect to the Series 2014-1 Notes occurs under the Base Indenture;

(5) Either the Seller or the Servicer suffers certain specified bankruptcy or insolvency events;

(6) The Issuer fails to make a payment (other than a payment of interest or principal on the Series 2014-1 Notes) or deposit when required to under the Indenture, which failure continues unremedied for at least five business days;

(7) The Issuer makes a representation or warranty in the Indenture or in any information that it is required to deliver to the Indenture Trustee that was incorrect when made or when delivered and that incorrect representation, warranty or information continues to be incorrect in any material respect for 30 days after the earlier of actual knowledge of the Issuer or written notice of that breach to the Issuer; or

(8) Any of the transaction documents ceases for any reason to be in full force and effect other than in accordance with its terms.

The following events will be **Rapid Amortization Events** with respect to the Series 2014-1 Notes only if after any applicable grace period either the Indenture Trustee (by majority interest) or the majority in interest declares that a Rapid Amortization Event with respect to the Series 2014-1 Notes has occurred:

(1) Failure on the part of the Seller to make any payment required by the terms of the asset purchase agreement (or within five business days);

(2) Failure on the part of the Seller to duly observe or perform any of the Seller’s covenants or agreements in the asset purchase agreement and that failure materially and adversely affects the Series 2014-1 Noteholders and continues unremedied for 30 days after written notice of that failure to the Seller by the Indenture Trustee or the Seller and the Indenture Trustee by a majority in interest;

(3) The Seller makes a representation or warranty in the asset purchase agreement or in any information that it is required to deliver to the Issuer or the Indenture Trustee that was incorrect in any material respect when made or when delivered and that incorrect representation, warranty or information materially and adversely affects the interests of the Series 2014-1 Noteholders and continues to be incorrect for 30 days after written notice of that breach to the Seller by the Indenture Trustee or the Seller and the Indenture Trustee by a Majority in Interest; or

(4) The Indenture Trustee fails to have a valid and perfected first priority security interest in any material portion of the collateral and such failure continues for two business days or the Issuer, the Seller, or an affiliate of either thereof asserts that the Indenture Trustee does not have a valid and perfected first priority security interest in any material portion of the collateral.

**Company Name**

CAN Capital Funding LLC
Series 2014-1

Report Date:

October 2, 2014

The following events are **Servicer Defaults**:

(1) Any failure by the Servicer to make any payment, transfer or deposit, or, if applicable, to give instructions or notice to the Indenture Trustee to make such payment, transfer or deposit on or before the date such payment, transfer or deposit or such instruction or notice is required to be made or given under the servicing agreement or the indenture, and such failure shall continue for five business days;

(2) Any representation or warranty made by the Servicer in the servicing agreement or in any statement or certificate at any time given by the Servicer in writing pursuant to the Servicing Agreement or the Indenture is incorrect when made and such inaccuracy has a material and adverse effect on the interests of the Noteholders and such inaccuracy is not cured for a period of 30 consecutive days after the earlier of (A) the date on which an authorized officer of the Servicer obtains actual knowledge thereof or (B) the date on which written notice of such inaccuracy, requiring the same to be remedied, is given to the Servicer by the Indenture Trustee or the requisite noteholders;

(3) Any failure by the Servicer to comply with any of its agreements or covenants in the servicing agreement and such failure is not cured for a period of 30 consecutive days after the earlier of (A) the date on which an authorized officer of the Servicer obtains actual knowledge thereof or (B) the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer;

(4) Certain bankruptcy or insolvency events shall have occurred with respect to the Servicer;

(5) The occurrence of any of the following events specified as an "Additional Servicer Default" as of the last day of any fiscal quarter;

- (a) The leverage ratio is greater than 8.0,
- (b) Tangible net worth is less than \$50,000,000, and
- (c) Consolidated liquidity is less than \$5,000,000,

(6) With respect to any future series of Notes outstanding, any other event specified in the related indenture supplement.

So long as such Servicer Default shall not have been remedied, either the Indenture Trustee or the requisite noteholders may by notice in writing to the Servicer terminate all the rights and obligations of the Servicer as servicer under the servicing agreement, effective on the date specified in the servicer termination notice. On or after the receipt by the Servicer of a servicer termination notice or resignation of the Servicer in accordance with the servicing agreement, all authority and power of the Servicer to service the pooled assets under the servicing agreement will pass to and be vested in the Backup Servicer or any other successor servicer appointed by the Indenture Trustee or the requisite noteholders. On or prior to the effective servicer termination date, the successor servicer, the Issuer and the Indenture Trustee acting at the direction of the requisite noteholders will enter into a successor servicing agreement.

Cash Trapping Event shall be deemed to occur if on any such date, the three-month weighted-average excess spread is less than 13%. During the cash trapping period, deposits shall be made into the Series 2014-1 cash trapping account in accordance with the Priority of Payments.

Hot Backup Servicer Trigger Event:

(1) The three-month weighted-average excess spread on such payment date is less than 15%; or

(2) With respect to any future series of notes outstanding, any other event specified in the related indenture supplement as a Hot Backup Servicer Trigger Event.

Servicing Fee Rate: one-twelfth of 3.00% on the aggregate unamortized funded amount of performing assets allocated to the Series 2014-1 Notes in the beginning of the related collection period.

**Company Name**

CAN Capital Funding LLC
Series 2014-1

Report Date:

October 2, 2014

Backup Servicing Fee:

Warm Backup Servicer Compensation. While performing the warm backup services, the Backup Servicing Fee payable by the Issuer to the Backup Servicer will equal a one-time set-up fee of \$5,000 and a monthly fee of (i) \$3,500, if the Aggregate Unamortized Funded Amount of pooled assets is \$250,000,000 or less, or (ii) \$5,000 plus all third-party costs and expenses incurred by the Backup Servicer that were necessary to provide the services thereunder, if the Aggregate Unamortized Funded Amount of Pooled Assets is greater than \$250,000,000.

Hot Backup Servicer Compensation. While performing the hot backup services, the Backup Servicing Fee payable by the Issuer will equal a monthly fee equal to 0.025% times the Aggregate Unamortized Funded Amount of performing assets in the beginning of the related collection period and all third-party costs and expenses incurred by the Backup Servicer that were necessary to provide the services thereunder. In addition, the Backup Servicing Fee will include, in connection with the transition from warm backup services to hot backup services, a one-time fee equal to \$5,000. Upon any reversion from hot backup services to warm backup services, the Backup Servicer will be entitled to a fee of \$2,000.

In accordance with the terms of the backup servicing agreement, First Associates will act as the backup servicer. The initial backup servicer will agree to review monthly settlement statements and provide other services and, after the occurrence of a Hot Backup Servicer Trigger Event, certain additional services relating to the potential transition to servicing. In addition, the Backup Servicer will agree to become the Servicer of the pooled assets upon the termination of the initial Servicer and appointment of the Backup Servicer as the Servicer in accordance with the servicing agreement.

Optional Redemption

The Issuer will have the option to prepay the Series 2014-1 Notes in whole, but not in part, on any payment date during the Series 2014-1 amortization period.

Sale of Collateral

Following the occurrence of an event of default and the acceleration of the Notes, the Trustee may sell a portion or all of the collateral so long as either:

- (1) All of the holders of the Notes consent to the sale;
- (2) The proceeds of the sale distributable to the holders of Notes will be sufficient to discharge in full all amounts then due and unpaid on the Notes for principal and interest; or
- (3) The Indenture Trustee (or its agent) determines that the collateral will not continue to provide sufficient funds for the payment of principal of and interest on the Notes as they would have become due if the Notes had not been declared due and payable and a majority in interest of each Series of Notes consents to the sale.

Eligible Asset means an MCA or loan that satisfied each of the following criteria as of transfer date for such asset:

- (1) Such asset represents a legal, valid and binding obligation of the related Merchant, enforceable against such Merchant, in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability;
- (2) Such asset was originated in the ordinary course of the applicable subsidiary's or the WebBank's business;
- (3) Such asset was underwritten and originated in accordance with the required procedures;
- (4) Such asset was originated in all material respects in accordance with, and complies in all material respects with, all applicable requirements of law, including any applicable usury laws and credit protection laws;



Company Name

CAN Capital Funding LLC
Series 2014-1

Report Date:

October 2, 2014

- (5) The Merchant with respect to such asset is an eligible Merchant;
- (6) Such asset is denominated and payable in U.S. dollars;
- (7) The payments or remittances with respect to such asset are processed pursuant to an effective processing agreement with an eligible processor;
- (8) As of the transfer date, at least one loan payment or remittance of purchased receivables has been received with respect to the asset, as applicable;
- (9) Any business assets of the relevant Merchant on which a lien is imposed to secure rights in the asset are located within the United States;
- (10) Such asset has been serviced by CAN since origination in all material respects in accordance with the required procedures;
- (11) None of the terms, conditions or provisions of such asset or the related MCA Agreement or Loan Agreement, as applicable, has been amended, modified, restructured or waived except in accordance with the required procedures;
- (12) Immediately prior to the sale or contribution of such asset to the Issuer pursuant to the asset purchase agreement, the Seller had good and marketable title to such asset, free and clear of all liens (other than any lien which has been or will be terminated concurrently with such sale or contribution to the Issuer);
- (13) Under the related MCA Agreement or Loan Agreement, as applicable, such Asset is freely assignable and does not require the consent of the Merchant thereof or any other person as a condition to any transfer, sale or assignment of any rights thereunder to or by the Issuer;
- (14) When sold or contributed to the Issuer by the Seller pursuant to the asset purchase agreement, such asset will be owned by the Issuer, free and clear of all liens (other than permitted liens);
- (15) The Seller has caused its master computer records relating to such asset to be clearly and unambiguously marked to show that such asset has been sold and/or contributed by the Seller to the Issuer pursuant to the asset purchase agreement and pledged by the Issuer to the Indenture Trustee pursuant to the base indenture;
- (16) Electronic copies of each of the documents required by, and listed in, the document checklist attached to the backup servicing agreement are included in the asset file with respect to such asset and such asset file has been delivered to the Backup Servicer;
- (17) Such asset was selected from all assets owned by the Seller or, in the case of the initial transfer date, all assets owned by the Seller or one of the subsidiaries, in each case satisfying each of the aforesaid criteria as of such transfer date using no selection procedures intended to be adverse to the Issuer or the Noteholders;
- (18) Such asset was not originated for personal, family or household purposes;
- (19) Such asset, to the extent it constitutes a loan, either (i) was purchased from a bank with whom Servicer has a purchase and sale agreement or (ii) was originated in an eligible jurisdiction in accordance with the state by state requirements;
- (20) Such asset, to the extent it constitutes a loan, will be repaid using a daily payment schedule and will have a predetermined fixed term;
- (21) Such asset is not a defaulted asset or an MPP Asset;

**Company Name**

CAN Capital Funding LLC
Series 2014-1

Report Date:

October 2, 2014

(22) After giving effect to the acquisition of the asset by the Issuer, the weighted-average initial pricing ratio of all performing assets is greater than 1.21x;

(23) To the extent such asset has been assigned a CAN Score™ greater than 25, such asset has been manually underwritten;

(24) After giving effect to the acquisition of the asset by the Issuer, the weighted-average CAN Score™ of all performing assets is less than or equal to 15;

(25) After giving effect to the acquisition of the asset by the Issuer, the average unamortized funded amount of performing assets is less than or equal to \$60,000;

(26) The funded amount with respect to such asset does not exceed \$375,000;

(27) Such Asset had an underwritten turn or term of less than or equal to 24 months;

(28) After giving effect to the acquisition of the asset by the Issuer, if the weighted-average CAN Score™ of performing assets with an underwritten turn or term greater than 18 months is less than ten, the weighted-average underwritten turn or term of all performing assets is less than 16 months; and

(29) After giving effect to the acquisition of the asset by the Issuer, if the weighted-average CAN Score™ of performing assets with an underwritten turn or term greater than 18 months is greater than or equal to ten, the weighted-average underwritten turn or term of all performing assets is less than 15 months.

MPP Asset means any asset (other than a defaulted asset) satisfying the following criteria:

(1) With respect to assets with an underwritten turn or term¹ of less than 16 months, an asset with aggregate to-date collections of less than:

- (i) 20% of the original specified amount or repayment amount on the date on which 50% of the underwritten turn or term respectively, has elapsed;
- (ii) 60% of the original specified amount or repayment amount on the date on which 100% of the underwritten turn or term, respectively, has elapsed; or
- (iii) 100% of the original specified amount or repayment amount on the date on which 165% of the underwritten turn or term, respectively, has elapsed;

(2) With respect to assets with an underwritten turn or term of equal to or greater than 16 months, an asset with aggregate to-date collections of less than:

- (i) 30% of the original specified amount or repayment amount on the date on which 50% of the underwritten turn or term, respectively, has elapsed;
- (ii) 70% of the original specified amount or repayment amount on the date on which 100% of the underwritten turn or term, respectively, has elapsed; or
- (iii) 100% of the original specified amount or repayment amount on the date on which 135% of the underwritten turn or term, respectively, has elapsed.

Eligible Merchant means a Merchant that satisfied each of the following criteria as of the transfer date for the related asset:

¹ The “Underwritten Turn” or “Estimated Turn” of an MCA transaction is the period of time the applicable MCA Subsidiary estimates, at the time of underwriting, that it will take for the MCA Subsidiary to collect the total amount (i.e., Specified Amount) of future receivables purchased from the Merchant. Turn can be an estimate only because the MCA Subsidiary is entitled to receive only a fixed percentage of the receivables arising from the Merchant's daily card sales if and to the extent such sales actually occur, the amount of receivables actually remitted to the MCA Subsidiary fluctuates with the Merchant's fluctuating payment card sales volumes, and MCAs have no set term, maturity date or fixed or minimum payment amounts.

**Company Name**CAN Capital Funding LLC
Series 2014-1**Report Date:**

October 2, 2014

(1) Such Merchant is a citizen or legal resident of the United States or a legal entity formed under the laws of the United States;

(2) Such Merchant is not a governmental authority; and

(3) Such Merchant is a business that has been operating for at least two months.

Aggregate Unamortized Funded Amount means, as of any determination date, the Unamortized Funded Amount of all pooled assets owned by the Issuer.

Unamortized Funded Amount means (a) for each MCA, the excess of (i) the funded amount of such MCA, minus, (ii) the total collections used to amortize the funded amount and (b) for each loan the excess of (i) the sum of (x) the funded amount of such loan and (y) total accrued interest to date, over (ii) the total collections. With respect to any MCA, the portion of collections used by the Servicer to amortize the funded amount will equal the ratio of the funded amount over the specified amount.

The following concentration limits apply to the collateral pool:

Concentration Amount	Percentage of Performing Asset Balance
Merchant Located in California	20.0%
Merchant Located in Texas	15.0%
Merchant Located in Florida	15.0%
Merchant Located in New York	15.0%
Merchant Located in Any Other State	10.0%
Assets with Unamortized Funded Amounts in excess of \$160,000	15.0%
Merchant Businesses in Restaurant Industry	35.0%
Merchant Businesses in Medical Industry	30.0%
Merchant Businesses in Any Other Single Industry Code	20.0%
Merchants with annual revenue of less than \$300,000	10.0%
Merchant in Business less than 3 years	10.0%
Merchant in Business less than 5 years	25.0%
Assets with Underwritten Turn or Term greater than 18 months but less than or equal to 24 months when the weighted-average CAN Score of Performing Assets with Underwritten Turn or Term greater than 18 months but less than or equal to 24 months is less than 10	15.0%
Assets with Underwritten Turn or Term greater than 18 months but less than or equal to 24 months when the weighted average CAN Score of Performing Assets with Underwritten Turn or Term greater than 18 months but less than or equal to 24 months is greater than or equal to 10	10.0%
Merchants with CAN Score of more than 25	3.0%
Assets subject to Material Modification	5.0%
Assets that are not Renewal Assets	65.0%



Company Name

CAN Capital Funding LLC
Series 2014-1

Report Date:

October 2, 2014

Collateral Description

The 2014-1 transaction pool characteristics are as of the August 31, 2014, statistical cut-off date. The receivables securitized in this transaction will be a pool of small business loans and MCAs. Summary statistics of the current portfolio data are presented below.

	Loans	MCAs	Total Portfolio
Number of Assets	4,270	2,801	7,071
Aggregate Unamortized Funded Amount	\$ 131,963,318.32	\$ 68,055,438.49	\$ 200,018,756.81
Average Unamortized Funded Amount	\$ 30,904.76	\$ 24,296.84	\$ 28,287.20
Average Funding Size	\$ 45,793.43	\$ 40,462.16	\$ 43,681.58
Weighted Average Term or Estimated Underwritten Turn	13.88	13.53	13.76
Weighted Average Remaining Term or Turn	9.65	9.35	9.55
Average Number of Contracts in Lifecycle	2.80	3.10	2.90
Average Number of Months in Lifecycle	31.16	32.90	31.75
Weighted Average Repayment Amount or Specified Amount to Funded Amount Ratio	1.33	1.31	1.32
Weighted Average CAN Capital Risk Score	8.53	9.90	9.00
Average Years in Business	12.12	12.80	12.39
Average Gross Annual Sales	\$ 1,065,096.87	\$ 769,261.40	\$ 947,909.04
Average % Gross Sales Taken	5.73%	8.11%	6.67%
Average Specified Percentage	N/A	20.39%	N/A
New Customer	43.12%	21.62%	35.81%
Renewal	56.88%	78.38%	64.19%
Underwritten Loan Term or MCA Estimated Turn			
Less than or equal to 3	0.00%	0.00%	0.00%
3.01 to 6	3.13%	0.60%	2.27%
6.01 to 9	12.26%	3.28%	9.21%
9.01 to 12	30.67%	15.53%	25.52%
12.01 to 15	25.14%	66.52%	39.22%
15.01 to 18	16.80%	12.74%	15.42%
18.01 or greater	12.00%	1.32%	8.36%
Unamortized Funded Amount (\$)			
Less than or equal to 25,000.00	21.51%	30.76%	24.66%
25,000.01 to 50,000.00	26.30%	29.14%	27.26%
50,000.01 to 75,000.00	19.20%	16.92%	18.42%
75,000.01 to 100,000.00	12.45%	9.60%	11.48%
100,000.01 to 125,000.00	9.00%	4.98%	7.63%
125,000.01 to 150,000.00	7.47%	4.44%	6.44%
150,000.01 or greater	4.08%	4.15%	4.10%



Company Name

CAN Capital Funding LLC
Series 2014-1

Report Date:

October 2, 2014

	Loans	MCAs	Total Portfolio
Number of Assets	4,270	2,801	7,071
Aggregate Unamortized Funded Amount	\$ 131,963,318.32	\$ 68,055,438.49	\$ 200,018,756.81
Time in Business:			
Less than 1	0.41%	0.68%	0.50%
1 to 2.99	5.78%	6.83%	6.14%
3 to 4.99	10.81%	8.93%	10.17%
5 to 9.99	29.04%	26.96%	28.33%
10 to 14.99	20.65%	20.36%	20.55%
15 to 19.99	12.65%	13.64%	12.99%
20 or greater	20.65%	22.60%	21.31%
State:			
California	16.41%	14.13%	15.64%
Florida	8.93%	6.76%	8.19%
Texas	8.58%	8.69%	8.62%
New York	5.98%	7.37%	6.45%
Other	60.10%	63.05%	61.11%
CAN Score			
Less than or equal to 5	31.17%	25.23%	29.15%
5.01 to 10	42.67%	37.41%	40.88%
10.01 to 15	19.69%	23.02%	20.83%
15.01 to 20	4.65%	10.08%	6.50%
20.01 to 25	1.08%	3.19%	1.80%
25.01 or greater	0.74%	1.07%	0.85%
Industry (top 5)			
Food/drug retailers	14.05%	41.51%	23.39%
Healthcare	22.41%	9.64%	18.07%
Building & Development	16.63%	2.83%	11.93%
Automotive	7.64%	10.66%	8.67%
Business equipment & services	9.54%	4.64%	7.87%



Company Name

CAN Capital Funding LLC
Series 2014-1

Report Date:

October 2, 2014

The historical credit performance of the Company's portfolio is presented in the table below.

(\$ in millions)	6/30/2014	6/30/2013	12/31/2013	12/31/2012	12/31/2011	12/31/2010	12/31/2009
Aggregate UFA	\$463.82	\$356.42	\$440.16	\$293.18	\$224.36	\$182.46	\$152.02
Aggregate UFA for all Non-Performing Assets as a % of Aggregate UFA	4.42%	2.77%	3.96%	3.34%	3.83%	3.98%	5.63%
Aggregate UFA for all MPP Assets as a % of Aggregate UFA	3.04%	2.97%	3.87%	2.76%	3.74%	5.90%	9.52%
Aggregate UFA for all Non-Performing & MPP Assets as a % of Aggregate UFA	7.46%	5.74%	7.82%	6.10%	7.58%	9.88%	15.16%
Aggregate UFA for all MCAs	\$166.95	\$168.34	\$184.86	\$174.87	\$168.27	\$166.39	\$152.02
Aggregate UFA for all Non-Performing MCAs as a % of Aggregate MCA UFA	4.20%	3.18%	3.78%	3.76%	4.51%	4.24%	5.63%
Aggregate UFA for all MPP MCAs as a % of Aggregate MCA UFA	5.91%	5.13%	6.75%	4.23%	4.99%	6.47%	9.52%
Aggregate UFA for all Non-Performing & MPP MCAs as a % of Aggregate MCA UFA	10.11%	8.30%	10.53%	7.99%	9.49%	10.71%	15.16%
Aggregate UFA of Loans	\$296.87	\$188.08	\$255.30	\$118.31	\$56.09	\$16.07	\$0.00
Aggregate UFA for all Non-Performing Loans as a % of Aggregate Loan UFA	4.55%	2.41%	4.08%	2.71%	1.82%	1.24%	0.00%
Aggregate UFA for all MPP Loans as a % of Aggregate Loan UFA	1.42%	1.04%	1.78%	0.59%	0.01%	0.00%	0.00%
Aggregate UFA for all Non-Performing & MPP Loans as a % of Aggregate Loan UFA	5.97%	3.45%	5.86%	3.30%	1.83%	1.24%	0.00%

UFA = Aggregate unfunded amount



Company Name
CAN Capital Funding LLC
Series 2014-1

Report Date:
October 2, 2014

The cumulative net write-off performance of the Company's overall portfolio, by vintage, is summarized below.

Overall Portfolio										
(\$ in millions)	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012	2011	2010	2009
Number of Originations	5,396	5,209	5,653	5,409	4,908	4,500	14,416	12,446	11,052	10,395
Funded Amount	\$216.43	\$213.13	\$227.85	\$216.65	\$192.79	\$174.45	\$550.48	\$437.80	\$349.19	\$288.14

Cumulative Net Write - Off Rate (as a % of Funded Amount)											
Months since Origination											
	0	1	2	3	4	5	6	7	8	9	10
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%
		0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.04%	0.03%
			0.22%	0.17%	0.15%	0.05%	0.08%	0.12%	0.19%	0.11%	0.11%
			0.94%	0.68%	0.35%	0.28%	0.40%	0.47%	0.60%	0.56%	0.56%
			1.54%	1.51%	1.05%	1.06%	0.79%	0.88%	1.13%	1.21%	1.21%
				2.44%	1.76%	1.87%	1.43%	1.49%	1.67%	2.18%	2.18%
				3.30%	2.64%	2.32%	2.03%	2.01%	2.11%	2.99%	2.99%
				4.10%	3.41%	2.97%	2.62%	2.40%	2.72%	3.65%	3.65%
					4.12%	3.62%	3.00%	2.84%	3.27%	4.17%	4.17%
					4.63%	4.15%	3.36%	3.21%	3.68%	4.61%	4.61%
					4.95%	4.61%	3.73%	3.44%	3.97%	4.88%	4.88%
						4.85%	3.99%	3.63%	4.24%	5.12%	5.12%
						5.03%	4.16%	3.88%	4.57%	5.34%	5.34%
						5.20%	4.27%	4.02%	4.73%	5.53%	5.53%
							4.31%	4.19%	4.81%	5.70%	5.70%
							4.42%	4.30%	4.84%	5.72%	5.72%
							4.46%	4.39%	4.89%	5.81%	5.81%
							4.52%	4.46%	4.95%	5.89%	5.89%
							4.51%	4.50%	5.01%	5.93%	5.93%
							4.52%	4.48%	5.06%	5.94%	5.94%
							4.53%	4.48%	5.09%	5.93%	5.93%
							4.52%	4.48%	5.13%	6.03%	6.03%



Company Name
CAN Capital Funding LLC
Series 2014-1

Report Date:
October 2, 2014

The cumulative net write-off performance of the Company's loan portfolio, by vintage, is summarized below.

Loans Portfolio										
(\$ in millions)	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012	2011	2010	2009
Number of Originations	3,405	3,082	3,002	2,876	2,583	2,136	4,266	2,071	561	0
Funded Amount	\$142.21	\$131.63	\$128.79	\$122.63	\$107.36	\$86.78	\$195.20	\$91.58	\$2196	\$0.00

Cumulative Net Write - Off Rate (as a % of Funded Amount)										
Months since Origination										
0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5			0.36%	0.26%	0.24%	0.06%	0.08%	0.01%	0.00%	0.00%
6			1.40%	0.80%	0.56%	0.40%	0.38%	0.24%	0.91%	0.00%
7			2.26%	1.73%	1.38%	1.51%	0.69%	0.34%	1.36%	0.00%
8				3.03%	2.40%	2.46%	1.39%	0.84%	1.48%	0.00%
9				3.97%	3.48%	2.91%	1.89%	1.15%	1.62%	0.00%
10				5.00%	4.18%	3.59%	2.59%	1.56%	2.37%	0.00%
11					5.27%	4.31%	2.86%	1.95%	3.23%	0.00%
12					5.83%	4.89%	3.18%	2.23%	3.65%	0.00%
13					6.22%	5.59%	3.61%	2.37%	4.05%	0.00%
14						5.92%	3.88%	2.39%	4.09%	0.00%
15						6.11%	4.05%	2.75%	4.70%	0.00%
16						6.40%	4.28%	2.96%	5.12%	0.00%
17							4.31%	3.26%	5.34%	0.00%
18							4.48%	3.52%	5.33%	0.00%
19							4.50%	3.63%	5.35%	0.00%
20							4.57%	3.83%	5.35%	0.00%
21							4.57%	3.79%	5.76%	0.00%
22							4.57%	3.78%	5.75%	0.00%
23							4.59%	3.79%	5.75%	0.00%
24							4.58%	3.84%	5.74%	0.00%



Company Name
CAN Capital Funding LLC
Series 2014-1

Report Date:
October 2, 2014

The cumulative net write-off performance of the Company's MCA portfolio, by vintage, is summarized below.

MCA Portfolio										
(\$ in millions)	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012	2011	2010	2009
Number of Originations	1,991	2,127	2,651	2,533	2,325	2,364	10,150	10,375	10,491	10,395
Funded Amount	\$74.22	\$81.49	\$99.06	\$94.02	\$85.43	\$87.66	\$355.28	\$346.22	\$327.24	\$288.14

Cumulative Net Write - Off Rate (as a % of Funded Amount)										
Months since Origination										
	0	1	2	3	4	5	6	7	8	9
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.02%
		0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.04%
			0.04%	0.04%	0.05%	0.04%	0.09%	0.14%	0.20%	0.11%
			0.35%	0.52%	0.09%	0.16%	0.41%	0.53%	0.58%	0.56%
			0.61%	1.21%	0.63%	0.61%	0.85%	1.02%	1.11%	1.21%
				1.67%	0.96%	1.28%	1.46%	1.66%	1.68%	2.18%
				2.43%	1.57%	1.74%	2.10%	2.24%	2.14%	2.99%
				2.92%	2.45%	2.35%	2.64%	2.62%	2.74%	3.65%
					2.67%	2.94%	3.08%	3.07%	3.27%	4.17%
					3.13%	3.41%	3.47%	3.47%	3.68%	4.61%
					3.35%	3.63%	3.80%	3.73%	3.96%	4.88%
						3.80%	4.04%	3.96%	4.25%	5.12%
						3.96%	4.21%	4.19%	4.56%	5.34%
						4.01%	4.26%	4.30%	4.70%	5.53%
							4.31%	4.43%	4.78%	5.70%
							4.39%	4.51%	4.80%	5.72%
							4.43%	4.59%	4.85%	5.81%
							4.50%	4.62%	4.92%	5.89%
							4.48%	4.68%	4.96%	5.93%
							4.49%	4.67%	5.01%	5.94%
							4.49%	4.67%	5.04%	5.93%
							4.49%	4.66%	5.09%	6.03%

**Company Name**

CAN Capital Funding LLC
Series 2014-1

Report Date:

October 2, 2014

Credit Enhancement

Credit enhancement for the CAN Capital Funding LLC Series 2014-1 transaction will consist of overcollateralization, subordination, a reserve account and available excess spread.

Overcollateralization

The overcollateralization will equal 4.50% of the initial pool balance.

Subordination

Initial subordination for the Class A Notes will be 15.00% of the pool balance and will be comprised of the Class B Notes, the reserve account and the overcollateralization. Initial subordination for the Class B Notes will be 5.00% and will be comprised of the reserve account and the overcollateralization.

Reserve Account

A non-declining reserve account of 0.50% of the initial pool balance will be funded at closing.

Excess Spread

The initial excess spread in the transaction is estimated to equal approximately [•]% per annum based on an expected annual return of [48]% less 3.00% servicing fee, [.04]% other fees and an assumed blended note rate of [•]%.

Cash Flow Analysis

DBRS analyzed the performance of CAN's origination data from 2006 through the second quarter of 2014. Quarterly vintages were analyzed by a number of key risk dimensions, including product type (loan or MCA), CAN score band, origination channel, transaction size, term or turn, location and industry. In determining an expected loss figure, DBRS focused primarily on the CAN score band, term or turn, and industry concentrations. DBRS also factored into the expected loss figure an assumption that the pool's composition will migrate from its initial characteristics to a worst-case composition based on the transition's eligibility requirements and concentration limits, as described in the section on Transaction Structure. DBRS assumed an expected losses of 6.71%, which includes 8.2% recovery on defaulted/non-performing assets and 15% seasoning credit.

The MCA assets in the pool present another type of cash flow risk to the transaction not typically present in the loan assets: though the Merchant remits the full specified amount of purchased future payment card receivables, its business underperforms CAN's underwriting expectations and, as a result, the full specified amount is returned over a longer time period than CAN initially expected (Slow Payors). DBRS expects that 7.7% of the pool assets are Slow Payors and remit the full specified amount of purchased future payment card receivables over 1.7 times the expected underwritten turn.

DBRS used its Large Pool Default Model to determine a Lifetime Total Default Rate and a Lifetime Total Loss Rate at each rating level. In this analysis, DBRS utilized higher correlation assumptions than typically used for large corporate credits set forth in the methodology, given the higher potential credit risk in small business loans. DBRS expected the break-even loss rate to meet the Lifetime Total Loss Rate for each assigned rating.

DBRS performed a cash flow analysis to determine the break-even loss rate for each class of debt for each assigned rating. This was completed by incorporating certain cash flow assumptions, including compression of the excess spread to levels where triggers were breached and utilization of amounts available in the reserve account.

The results of the break-even loss rate analysis indicate that both the Class A and Class B Notes are able to withstand loss rates higher than the expected Lifetime Total Loss Rate for the assigned rating levels, which is 25.50% and 18.12%, respectively.

**Company Name**

CAN Capital Funding LLC
Series 2014-1

Report Date:

October 2, 2014

Legal Structure

The Seller transfers the obligations to the Issuer. Counsel to the Seller will render opinions indicating the “true sale” of the assets from the Seller to the Issuer, and the enforceability of the documents against the Sellers, Issuer and the assets of the Issuer on the closing date. Counsel to the Company will also render an opinion stating that the indenture and the pledges and grants thereunder create a valid security interest in the obligations for securing payment of the Notes of the issuer and that the creditors of the seller/transferor or any CAN affiliate could not successfully look to the assets of the Issuer for satisfaction of such parties’ obligations. The transaction will revolve for an initial 30-month period that expires in 2017, after which principal on the Notes will be paid sequentially, beginning with the Class A Notes. In addition, the Series 2014-1 transaction structure, representation and warranties, and documentation were reviewed for consistency with the DBRS Legal Criteria for U.S. Structured Finance dated July 2014.

Representations and Warranties

The Rule 17g-7 Report of Representations and Warranties is hereby incorporated by reference and can be found at www.dbrs.com.

Notes:

All figures are in U.S. dollars unless otherwise noted.

This report is based on information as of August 31, 2014, unless otherwise noted. Subsequent information may result in material changes to the rating assigned herein and/or the contents of this report.

Copyright © 2014, DBRS Limited, DBRS, Inc. and DBRS Ratings Limited (collectively, DBRS). All rights reserved. The information upon which DBRS ratings and reports are based is obtained by DBRS from sources DBRS believes to be accurate and reliable. DBRS does not audit the information it receives in connection with the rating process, and it does not and cannot independently verify that information in every instance. The extent of any factual investigation or independent verification depends on facts and circumstances. DBRS ratings, reports and any other information provided by DBRS are provided “as is” and without representation or warranty of any kind. DBRS hereby disclaims any representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability, fitness for any particular purpose or non-infringement of any of such information. In no event shall DBRS or its directors, officers, employees, independent contractors, agents and representatives (collectively, DBRS Representatives) be liable (1) for any inaccuracy, delay, loss of data, interruption in service, error or omission or for any damages resulting therefrom, or (2) for any direct, indirect, incidental, special, compensatory or consequential damages arising from any use of ratings and rating reports or arising from any error (negligent or otherwise) or other circumstance or contingency within or outside the control of DBRS or any DBRS Representative, in connection with or related to obtaining, collecting, compiling, analyzing, interpreting, communicating, publishing or delivering any such information. Ratings and other opinions issued by DBRS are, and must be construed solely as, statements of opinion and not statements of fact as to credit worthiness or recommendations to purchase, sell or hold any securities. A report providing a DBRS rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. DBRS receives compensation for its rating activities from issuers, insurers, guarantors and/or underwriters of debt securities for assigning ratings and from subscribers to its website. DBRS is not responsible for the content or operation of third party websites accessed through hypertext or other computer links and DBRS shall have no liability to any person or entity for the use of such third party websites. This publication may not be reproduced, retransmitted or distributed in any form without the prior written consent of DBRS. ALL DBRS RATINGS ARE SUBJECT TO DISCLAIMERS AND CERTAIN LIMITATIONS. PLEASE READ THESE DISCLAIMERS AND LIMITATIONS AT <http://www.dbrs.com/about/disclaimer>. ADDITIONAL INFORMATION REGARDING DBRS RATINGS, INCLUDING DEFINITIONS, POLICIES AND METHODOLOGIES, ARE AVAILABLE ON <http://www.dbrs.com>.