

IEG Holdings Corp. (IEGH-OTCQB)

IEG Holdings launches tender offer for up to 4.99% of LendingClub Corp. (LC)

Calculating the net present value of a future target price (which is based on the valuation metric of price-to-sales) at a point when we expect the company to achieve revenues of \$3.57 million indicates a share price target of \$1.20.

Current Price (01/05/18) \$0.30
Valuation \$1.20

OUTLOOK

IEG Holdings is a consumer finance company that offers unsecured consumer loans to individuals in 20 states. Through the effective execution of management's business plan, including generating loans via an **online platform** with effective marketing support and the **pursuit of additional state licenses**, IEG Holdings has achieved impressive growth of its loan portfolio. The company also benefits from a **disciplined underwriting process**. During 2017, IEG Holdings completed a tender offer for shares of OneMain Holdings (OMF) and issued Series H preferred stock, which together **provided over \$4.69 million in capital**.

SUMMARY DATA

52-Week High \$7.50
52-Week Low \$0.18
One-Year Return (%) -87.83
Beta -1.80
Average Daily Volume (shrs.) 66,179

Shares Outstanding (million) 17.46
Market Capitalization (\$ mil.) \$5.24
Short Interest Ratio (days) 0.01
Institutional Ownership (%) 0
Insider Ownership (%) 39.5

Annual Cash Dividend \$0.02
Dividend Yield (%) 6.67

5-Yr. Historical Growth Rates
Sales (%) 45.5
Earnings Per Share (%) N/A
Dividend (%) N/A

P/E using TTM EPS N/M
P/E using 2018 Estimate N/M
P/E using 2019 Estimate N/M

Risk Level Above Average
Type of Stock Small-Growth
Industry Finance-Consumer Loans

ZACKS ESTIMATES

Revenue

(in millions of \$)

| | Q1 | Q2 | Q3 | Q4 | Year |
|------|--------|--------|--------|--------|--------|
| | (Mar) | (Jun) | (Sep) | (Dec) | (Dec) |
| 2016 | 0.52 A | 0.55 A | 0.56 A | 0.51 A | 2.14 A |
| 2017 | 0.47 A | 0.41 A | 0.41 A | 0.38 E | 1.69 E |
| 2018 | | | | | 1.95 E |
| 2019 | | | | | |

Price/Sales Ratio (Industry = 2.5x)

| | Q1 | Q2 | Q3 | Q4 | Year |
|------|-----------|-----------|-----------|-----------|-----------|
| | (Mar) | (Jun) | (Sep) | (Dec) | (Dec) |
| 2016 | -\$0.33 A | -\$0.13 A | -\$0.10 A | -\$0.16 A | -\$0.60 A |
| 2017 | -\$0.05 A | -\$0.10 A | -\$0.13 A | -\$0.06 E | -\$0.35 E |
| 2018 | | | | | -\$0.25 E |
| 2019 | | | | | |

Zacks Projected EPS Growth Rate - Next 5 Years % 7
Quarterly EPS may not equal annual EPS total due to rounding.

RECENT NEWS

Executive Summary

- On January 5, 2017, IEG Holdings launched a **tender offer for up to 4.99% of LendingClub (LC)**.
 - Management believes it can convert LendingClub from a broker of loans into a balance sheet lender
 - If less than 4.99% is acquired, management believes any acquired LendingClub's shares would be a solid short-term investment, which could be liquidated similar to the OneMain Holdings transaction last year, adding to IEG's shareholder equity.
- **In 2017, cumulative loan volume increased 14.9%** to \$16,209,023.
- During 2017, IEG Holdings completed a tender offer for shares of OneMain Holdings (OMF) and issued Series H preferred stock, which together **provided over \$4.69 million in capital**.
- On December 31, 2017, all Series H preferred stock automatically converted into common stock. As a result, the company had **17,463,449 shares** of common stock outstanding at year-end.
- In late December, IEG Holdings announced it formed a 100%-owned subsidiary, Investment Evolution Crypto, to evaluate the feasibility, including the legalities, economic risks and potential benefits, of accepting crypto-currencies (such as bitcoins) as a form of repayment of customer loans.

Tender Offer for LendingClub Corporation

On January 5, 2017, IEG Holdings announced a **tender offer for LendingClub Corp. (LC)** on an exchange basis of 13 shares of IEGH for each share of LC. The tender offer is for up to 20,701,999 common shares of LendingClub Corp., which represents approximately 4.99% of LendingClub's outstanding shares.

Having brokered over \$26 billion in loan originations, LendingClub Corp. is the largest domestic online marketplace connecting borrowers (primarily consumers and small business owners) and investors (banks, managed accounts, institutions and self-directed individuals), who are looking for a competitive yield. LendingClub is one of the leaders in FinTech with its highly scalable, capital-light, P2P (Peer-to-Peer) lending platform and operates fully online without any branch infrastructure. LendingClub generates revenues from transaction fees, loan servicing fees and management fees from funds managed by LCA (a registered investment advisor and a wholly-owned subsidiary of LendingClub).

LC hosted its first Analyst Day on December 7, 2017. The company discussed its new fifth generation credit model (G5); also **LC lowered guidance for revenue and Adjusted EBITDA for the second time.** In reaction, LC declined to \$3.29 intraday. Overall in 2017, LC stock declined 21% to \$4.13. LendingClub completed its initial public offering (IPO) on December 11, 2014 at \$15.00 per share.

Last year, on June 28, IEG Holdings offered (via a letter to LendingClub management) two shares of IEGH stock for each share of LC (which was at a discount to market price of LC) for up to 9.99% of LC's common stock. A few days later, on July 2, 2017, IEG Holdings launched a tender offer for up to 40,345,603 shares of LendingClub common stock (LC) on an exchange basis of four shares of IEGH for each share of LC,. Subsequently, on August 1, 2017, IEG Holdings terminated the tender offer.

After **LendingClub's stock declined to \$3.29 intraday on December 7th** and after receiving legal advice from Baker & McKenzie LLP, Paul Mathieson, CEO and sole Director of IEG Holdings, decided to initiate another tender offer for up to 4.99% of LendingClub's outstanding shares.

IEG's management believes that "changing Lending Club's business model to a balance sheet lender model would enable the company to generate significantly higher gross margins, provide significantly

higher long duration cash flow from customers, build increased customer goodwill with customers and enable increased customer refinancing.”ⁱⁱ It is expected that at least two years will be required and more than \$50 million to **transform LendingClub from a broker of loans to a balance sheet lender**. Initially, IEG intends to utilize LC’s cash-on-hand, then customer principal and interest repayments of newly underwritten loans and finally seek additional debt/equity capital funding.

Obvious challenges include the acquisition/maintenance of individual state licenses, upgrading the underwriting systems, sourcing capital to fund loan originations and hiring underwriting and debt collection staff for internal debt collection. The benefits would be lowering costs (consequently increasing gross margins), tightening underwriting standards (thereby reducing default risk), increasing the duration of unsecured loans (subsequently reducing the company’s dependence on brokering new loan during periods when underwriting risk levels rise) and reducing regulatory risk by obtaining individual state licenses instead of utilizing the third party services of a Utah-based bank.

If IEG Holdings can acquire 4.99% of Lending Club’s outstanding shares, IEG’s management believes it could exert influence and pressure LendingClub’s Board to convert into a balance sheet lender. However, if less than 4.99% is acquired through the tender offer, IEG’s management believes that the acquisition of LendingClub’s shares would be a solid short-term investment. Potentially, IEG Holdings could liquidate its acquired LendingClub shares similar to the OneMain Holdings transaction last year, adding to IEG’s shareholder equity.



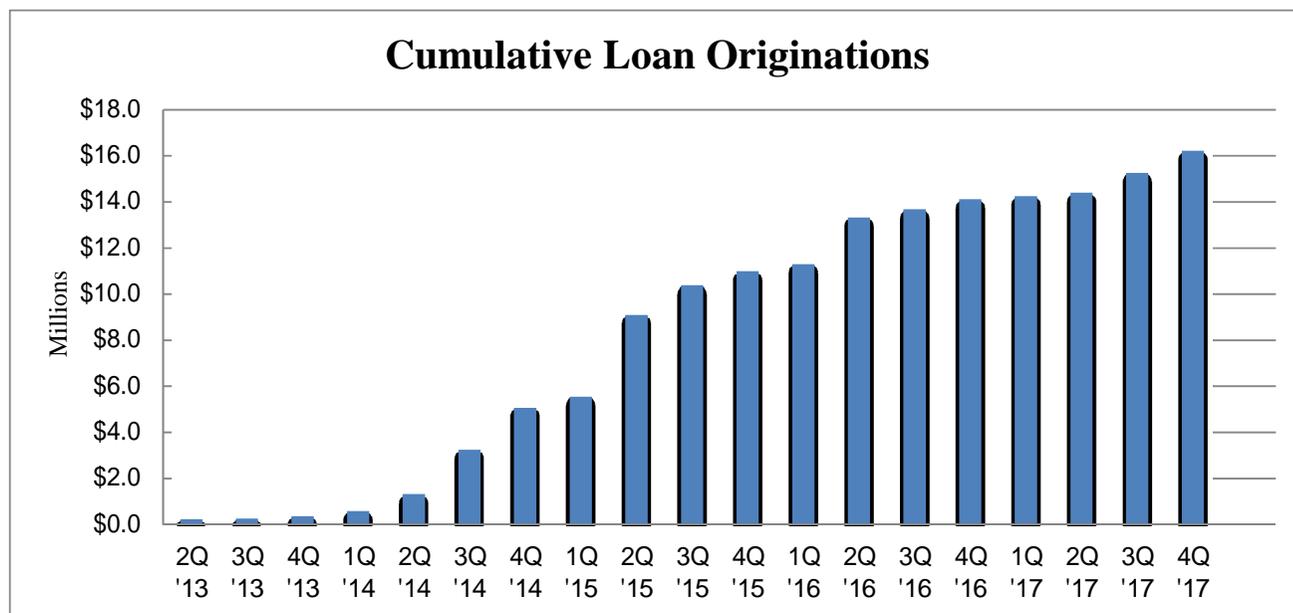
Investment Evolution Crypto, LLC Subsidiary

On December 22, 2017, IEG Holdings announced the formation of a 100%-owned subsidiary, Investment Evolution Crypto, LLC, which will evaluate the feasibility, including the legalities, economic risks and potential benefits) of accepting crypto-currencies (such as bitcoins) as a form of repayment of customer loans. At present, Investment Evolution Crypto is only in planning stages of exploring this potential business opportunity.

Cumulative Loan Volume Growth

On January 2, 2018, IEG Holdings Corporation announced loan growth figures for the fourth quarter of 2017 and cumulative loan volume since January 2015. During the fourth quarter, IEG generated

\$960,000 in new consumer loans, representing 12.3% sequential growth over the \$855,000 in loans originated in the third quarter. Loan origination growth has begun to accelerate again as the company resumed marketing and advertising expenditures during the third quarter. **In 2017, cumulative loan volume increased 14.9%** to \$16,209,023 from \$14,109,023 at the end of 2016.



Series H Preferred Stock

Between October 30th and December 28th, IEG Holdings issued 1,292,089 shares of Series H preferred stock, which provided **gross proceeds of \$1,292,089**. All Series H preferred shares were automatically converted into common shares on 4-for-1 basis on December 31, 2017. As a result, the company had **17,463,449 shares** of common stock outstanding at year-end.

On October 30, 2017, IEG Holdings issued 934,589 shares of Series H preferred stock at \$1.00 per share to four non-U.S. persons. Gross proceeds were \$934,589.

On December 15, 2017, the company issued 305,000 shares of Series H preferred stock in a private placement to three non-U.S. persons. Gross proceeds were \$305,000.

On December 28, 2017, IEG Holdings issued 52,500 shares of Series H preferred stock to two non-U.S. persons. Gross proceeds were \$52,500.

Share Repurchase Plan

On January 9, 2017, IEG Holdings announced an open market **stock repurchase program of up to \$2 million worth of common stock**. The Board of Directors (Paul Mathieson being the sole Director and holder of 54% of the shares outstanding) authorized the repurchase, which was initially active through December 31, 2017.

The repurchase of shares was delayed until the tender offer for share of OneMain was closed, which provided significant additional capital. However, **during the third quarter, 418,773 shares were repurchased** at a cost of \$276,880 (an average of \$0.66 per share).

On October 30, 2017, the Board of Directors approved an extension of the stock repurchase program to December 31, 2018. As October 30, 2017, \$1,723,120 remains available under the stock repurchase authorization.

Dividend Policy

IEG Holdings **declared its maiden cash dividend** of \$0.005 per common share (record date June 5 and payable on August 21, 2017).

Concurrent with the reporting of second quarter financial results, IEG Holdings declared its second cash dividend of \$0.005 per common share (record date of August 11, 2017). The one-member Board expects to pay ongoing quarterly dividends going forward.

The company's third cash dividend of \$0.005 per common share was declared on October 30th with an ex-date of November 9, 2017 (record date of November 11th) and payable on November 20, 2017.

KEY POINTS

- IEG Holdings Corp. is a consumer finance company that offers direct unsecured consumer loans to individuals in **20 states** via an online platform under the brand name "**Mr. Amazing Loans**"
 - offers unsecured personal loans to qualified individuals
 - 5-year \$5,000 and \$10,000 online personal loans
 - at prevailing statutory rates, between 12.0% and 29.9% APR
 - no application fees, establishment fees or prepayment penalties
 - affordable weekly payments (e.g. \$38/week for \$5,000 loan at 29.9% APR)
- IEG Holdings should benefit from its focused **business model**
 - **Scalable**
 - user-friendly and efficient online loan origination platform
 - the company targets a **specific demographic profile for credit worthiness**
 - low cost customer acquisition process
 - no branch network
 - **disciplined and efficient underwriting process**
 - offers two high margin product offerings
- IEG Holding has achieved a **strong record of loan originations** since establishing its online platform
 - The company is expected to continue to raise capital through equity and debt financings to fund the loan portfolio
- Financings
 - The company has successfully funded operations and loan originations through debt, credit line and equity (both common and preferred) capital since initiating operations in the United States in 2008
 - **The Tender Offer for shares of OneMain Holdings provided \$3.4 million in capital** in June 2017
 - On January 6, 2017, IEG filed an S-4 through which the company offered two shares of IEGH for every one share of OMF (OneMain Holdings).
 - As a result of the tender offer initiated on January 6, 2017, IEG Holdings acquired 151,994 shares of OneMain Holdings in exchange for 3,039,880 shares of IEGH. All the shares subsequently were sold on June 23 for **\$3,400,106**.
 - Overall, the tender offer for OMF shares allowed IEGH's CEO to highlight the company's progressive low-cost, on-line underwriting strategy in contrast to OneMain's legacy brick-and-mortar business model.
 - Financially, the tender offer was equivalent to a share offering of issuing 3,039,880 IEGH shares for proceeds of \$3.4 million (or roughly \$1.12 per share), allowing for significantly increased lending capacity. Concurrently, IEGH shareholders, including the CEO's controlling position, experienced

dilution as shares outstanding increased 31.3% from 9.71 million to 12.75 million shares.

- Between October 30 and December 28, 2017, IEG Holdings issued 1,292,089 shares of **Series H preferred stock**, which provided **gross proceeds of \$1,292,089**.
- Management intends to seek additional capital to finance the company's growth agenda

➤ Dividend Policy

- IEG Holdings **declared the company's first quarterly dividend** (\$0.005 per share) concurrent with reporting first quarter results.
- Second and third **quarterly dividends** (of \$0.005 per share each) were declared just prior or concurrent with quarterly results.
- The Board expects to pay ongoing quarterly dividends going forward.

OVERVIEW

Headquartered in Las Vegas, IEG Holdings Corp. is a consumer finance company that offers unsecured consumer loans (under the brand name "**Mr. Amazing Loans**") to individuals in **20 states** via an online platform (mramazingloans.com). The company provides **\$5,000 and \$10,000 personal consumer loans** over a **term of five years** in Alabama, Arizona, California, Florida, Georgia, Illinois, Kentucky, Louisiana, Maryland, Missouri, Nevada, New Jersey, New Mexico, Ohio, Oregon, Pennsylvania, Texas, Utah, Virginia and Wisconsin. Investment Evolution Corp (a subsidiary of IEG Holdings) holds state licenses and/or certificates of authority to lend in these 20 states. Over the intermediate-term, management plans to offer loans in 25 states, which would cover approximately 75% of the US population.

IEG Holdings is well positioned for organic growth, leveraging its unique presence in the faster-growing unsecured personal loan market and its concentration on differentiated, higher-margin products. The company's **online loan application portal** increases the potential to scale operations and enhances margins. Brick-and-mortar businesses add costs, such as rent payments and salaries/wages of branch supervisors/employees.

Through the effective execution of management's business plan, including the online loan origination platform, **effective supporting marketing programs** and the **pursuit of additional state licenses**, IEG Holdings has achieved impressive growth of its loan portfolio. The company should benefit from its **disciplined underwriting process**, which should deliver a high margin loan portfolio with relatively low underwriting credit risk.

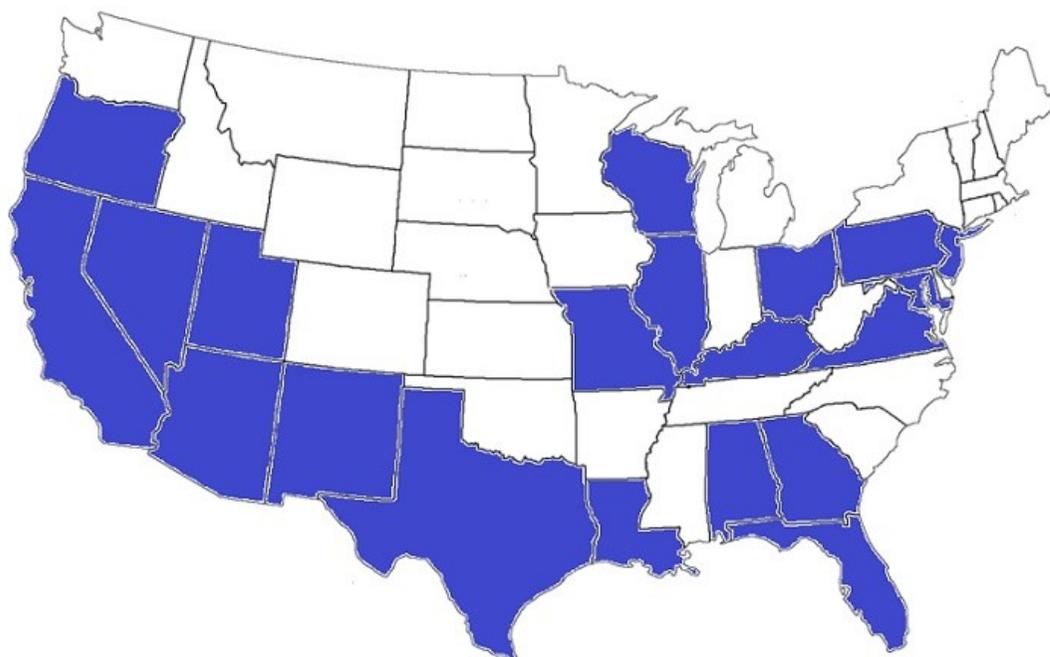
On November 3, 2016, IEG Holdings released an **update to the company's corporate strategy**. Strategically, CEO Paul Mathieson explored a full range of alternatives for the purpose of increasing stockholders' value. A **major step towards becoming profitable** is that Paul Mathieson agreed to forgo his 2016 bonus and also entered into a new consulting for 2017 which **reduced his annual base compensation** from \$1.0 million to \$1, which reduced operating expenses by 16% until July 1, 2017, when Paul Mathieson's annual base compensation was reinstated at \$1.2 million.

BUSINESS MODEL

The blueprint for IEG's business model had its nascence in Australia, when CEO Paul Mathieson established and grew a similar lending operation between 2005 and 2010 which ultimately lent approximately \$48 million to over 11,500 customers. In general, the Australian experience narrowed the target market to **reduce the risk profile of the loan portfolio**, optimized the product offerings to **improve the potential profitability of the loan portfolio** and guided the company to **low-cost venues** of customer acquisition.

IEG specializes in a specific market segment where the company has a competitive advantage, the unsecured personal loan category. Thus far, the company has eschewed other categories of the consumer finance industry, particularly the mortgage, student, auto, home equity, credit card, payday and vehicle title loan products.

Initially, the company provided 3-to-5 year unsecured consumer loans ranging in the \$2,000 to \$10,000 range, but after years of experience, **IEG now concentrates on providing 5-year \$5,000 and \$10,000 loans**, which are the sweet spots that maximize return and minimize potential credit losses. Customer-lead acquisition costs and shorter-term loans (less than 5 years in duration) reduce the economic attributes of underwriting unsecured consumer loans. Also, credit risk significantly increases for loans greater than \$10,000.



Geographical Expansion

On June 15, 2010, IEG Holdings received its first installment loan license in the United States and opened its first office on September 1, 2010 in Las Vegas, Nevada. The company expanded to offices in Chicago, Phoenix/Mesa and West Palm Beach. From 2010 to July 2013, IEG provided consumer loans through a branch network, which was comprised of one branch in each state in which the company operated (as required by state licensing regulations). In **July 2013**, IEG Holdings launched **MrAmazingLoans.com**, the company's **online loan origination platform**. Over time, all the branches except the central Las Vegas location were closed. By the end of 2014, IEG was operating online providing loans to residents in 9 states (Nevada, Illinois, Arizona, Florida, Georgia, Missouri, Virginia, New Jersey and Texas). Subsequently, other licenses were granted (see table). Most recently, IEG Holdings began offering loans online to residents of Wisconsin. Currently, **IEG Holdings holds licenses**

in **20 states** representing marketplace coverage over 64% of the US population. Over the intermediate-term, management plans to offer loans in 25 states, which would cover approximately 75% of the US population.

| IEG Holdings Corp. | | | |
|---------------------------|------------------------------|-------------------|------------------------------|
| State | License Approval Date | State | License Approval Date |
| Nevada | 6/15/2010 | Oregon | 1/8/2015 |
| Illinois | 4/13/2011 | New Mexico | 1/29/2015 |
| Arizona | 5/20/2011 | Utah | 2/5/2015 |
| Florida | 8/29/2011 | California | 7/7/2015 |
| Georgia | 3/4/2013 | Alabama | 8/13/2015 |
| Virginia | 3/5/2014 | Louisiana | 10/2/2015 |
| Missouri | 4/7/2014 | Kentucky | 12/17/2015 |
| New Jersey | 4/24/2014 | Maryland | 10/25/2016 |
| Texas | 11/14/2014 | Ohio | 12/21/2016 |
| Pennsylvania | 12/23/2014 | Wisconsin | 6/19/2017 |

Online Loan Origination Platform

IEG’s online loan origination website is intuitive and easy to navigate. The application process for pre-approval is simple and can be quickly completed within minutes. Typical purposes for the loans are bill consolidation, home improvements, consumer durable (furniture/appliances) purchases, automobile repairs, medical/dental expenses, tax payments, vacations, etc. The company strives for same-day turnaround from the initial inquiry to cash being delivered to a customer’s checking account.

The company operates in the highly fragmented and highly competitive consumer installment lending industry. A critical component of the IEG’s online business model requires that traffic be driven to the company’s website either through generating awareness among consumers or enhancing visibility via internet search engines. In addition to utilizing search engine optimization (SEO) techniques to ensure that the website appears high on the list of results returned by search engines, IEG employed **search engine and commenced banner advertising** to direct traffic to the company’s website. The company also partnered with **lead generators** through joint venture arrangements. The online marketing efforts are supplemented with traditional forms of radio, television and **direct mail** advertising. Today, online and direct mail advertising generates approximately 80% of IEGH’s new loan applications while 20% is produced by online lead generators.

Customer Acquisition Costs

IEG’s website significantly reduced the company’s customer acquisition costs. Not only does IEG benefit from the consumer shift to online services, the company also benefits from lower loan origination costs. Generally, traditional forms of lead generation (radio and television advertising) and the use of a branch network account for 40% to 50% of the total operational expenditure to generate a loan. By utilizing online advertising, direct mail and third-party lead generation to drive applicants to the company’s online loan origination platform, **IEG has a built-in cost advantage.**

Disciplined Consumer Loan Underwriting Process

IEG Holdings **targets a specific market segment within the under-banked marketplace of non-prime consumers** which better ensures customers have the capacity to repay their loans. Parameters for certain key metrics have been set to determine the applicant’s ability to repay the personal loan, including the criteria listed in the table below, which is in the company’s investor presentation. The

preliminary underwriting benchmarks are based not only on analysis of historical data, but also on the extensive experience of the CEO Paul Mathieson and COO Carla Cholewinski. In addition, during the fourth quarter of 2014, the company refined its loan origination model and began providing only the most lucrative modalities of \$5,000 and \$10,000 five-year loans at an APR between 12.0% and 29.9%.

| Factor | Criteria |
|--|--------------|
| Minimum Income (Average ~ \$61,500) | \$35,000 |
| Debt to Income – Gross | 70% max |
| Housing Expense to Income | 42% max |
| Credit Score Experian Vantage (Average ~653) | 600+ |
| Employment | 1 yr minimum |
| Credit History | 2 yr minimum |
| Checking Account | Required |

Much of the loan pre-approval process is automated. An applicant provides income, employment and banking information; and the company makes a soft inquiry of the applicant's credit report. **Over 90% of applications are rejected during this pre-approval process.** If the lead passes the minimum requirements, experienced underwriters obtain a full credit report from Experian (after receiving authorization from the applicant), review of applicant's checking account statements (over the last 60-to-90 days) and verify the applicant's employment, housing costs and debt obligations. Underwriting guidelines also include identity verifications and fraud checks. Usually within hours of completing loan application, electronic loan documents are conveyed to an approved applicant.

As of September 30, 2017, only 1.88% of the loan portfolio is to borrowers defined as subprime (having credit scores below 600).

Loan Delinquency Rate

Generally, unsecured personal loans are associated with higher delinquency rates than prime and secured loans; therefore, since higher loan loss rates are expected, unsecured personal loans carry higher interest rates. The company offers personal loans at the prevailing statutory rates, between 12.0% (Virginia) and 29.9% APR with roughly two-thirds of the states in which IEG operates allowing 29.9%. By underwriting unsecured personal loans at statutory rates to customers who pass the company's stringent guidelines, IEG benefits from a high margin loan portfolio while incurring relatively low underwriting credit risk by having a healthier cushion for potential credit losses. **Management adds significant value through the implementation of its disciplined underwriting process.**

A key for lenders is to manage loan losses at reasonable levels. **Historically**, IEG's management has targeted net loss rates of approximately 5% and maintained an allowance for credit losses in the 12.0%-to-12.6% range. Beginning with the fourth quarter of 2016, the target for the allowance for credit losses was raised to 16.0%.

GROWTH DRIVERS

IEG Holdings has developed the enterprise functions to support scalability, including technology-based customer acquisition, risk-controlled loan generation, capital funding and regulatory compliance. The company's business model is expected to drive growth through **geographic expansion** (through being granted additional state licenses) and **underwriting an increasing amount of loans** (through a low cost customer acquisition approach and a highly efficient underwriting process). Given the company's track record, we expect IEG Holding to be able to continue finance its businesses expansion through various sources of capital funding.

Loan Book Growth

After IEG Holdings launched the Mr. Amazing Loans online loan origination platform in mid- 2013, loan volumes grew dramatically. **In the first year of the online platform's operation** (June 30 2013 to June 30, 2014), **total cumulative loan originations increased over 450%** from \$237,000 to approximately \$1.32 million. In the second year (June 30 2014 to June 30, 2015), loan originations increased over 580% from to \$9.08 million.

The strong growth in loan originations was not only a result of the online platform, but also the successful execution of other growth initiatives. Several **effective marketing programs** supported the effectiveness of the online application portal, including online advertising, partnering with online lead generators and direct mail advertising. Loan growth was also significantly enhanced by **pursuing additional state licenses**.

Furthermore, management also **positioned the company** to address and benefit from certain consumer needs, namely

- 1) IEG focuses on the under-banked marketplace of non-prime consumers requiring affordable credit and
- 2) the company offers a considerably lower cost alternative to payday loans

And of course, **management secured funding** to maintain and expand operations as well as finance the origination of loans.

However, beginning in the fourth quarter of 2016, concurrent with the implementation of the cost reduction program, the loan book portfolio (loans receivable on a 12-month rolling basis) has been experiencing negative single-digit growth as the advertising budget has contracted from \$950,905 in 2015 to a run rate of roughly \$7,000 in 2017.

Structural Competitive Advantages

As the company's loan portfolio reaches critical mass, IEG Holding should also benefit from another competitive strength: a **lean operational structure**. IEG does not have to maintain an extensive brick-and-mortar network of branches and requires fewer personnel than traditional consumer lending companies to make underwriting decisions. By serving multiple states through a centralized office in its Las Vegas headquarters, IEG Holdings will significantly benefit from economies of scale, particularly through low overhead costs as its loan portfolio expands. Also, an online loan origination business has the potential to scale more rapidly than the traditional brick-and-mortar consumer lending operation.

COMMON STOCK EVENTS

Series of Up-listings

The common stock IEG Holdings has undergone a series of up-listings since 2013. Generally, an up-listing benefits a company through better institutional investor awareness and increased share liquidity.

On November 29, 2013, IEG Holdings Corporation was upgraded from the OTC Pink sheets to the highest tier in the OTC Pink Markets, OTC Pink Current Information. In June 2015, IEGH was up-listed to the OTCQB Venture Market after a 1-for-100 reverse stock split. On March 7, 2016, IEG Holdings was upgraded to the OTCQX Best market; however, with the resignation of two directors on November 3, 2016 that resulted in Paul Mathieson becoming the sole Director, IEGH was moved back to the **OTCQB** Venture Market on January 1, 2017.

Reverse-splits

On March 14, 2013, Investment Evolution Global Corporation consummated a reverse merger transaction with IEG Holdings Corporation. Per the terms of the reverse merger, 90,815.71 shares of IEGH were received for each share of Investment Evolution Global. Immediately prior to the reverse merger, IEGH completed a 1-for-6 reverse stock split. As a result, shareholder of Investment Evolution Global owned approximately 99.1% of IEGH immediately after the transaction.

On June 17, 2015, the company completed a 1-for-100 reverse split, which had been just preceded by IEGH being upgraded to the OTCQB.

On October 17, 2016, IEG Holdings Corporation completed a 1-for-1,000 reverse stock split, immediately followed by a 100-for-1 forward stock split. The net effect of the actions was to reduce the number of common shares by a factor of 10 (similar to a 1-for-10 reverse stock split) while also consolidating the number of stockholders.

FUNDING

Since 2012, IEG Holdings has funded loan originations in the United States with debt facilities (aka credit lines) and equity capital, both common and preferred. Currently, the company is attempting to raise capital through a private offering of up to \$10 million of 10-year 12% unsecured notes.

Beginning in 2012, a **\$3.0 million senior credit line facility** was extended to IEG Holdings from the Boston Finance Group (subsequently known as BFG Investment Holdings, LLC). With an effective interest rate of 18% and a minimum advance of \$200,000, by the end of 2012, the company has utilized \$250,000 of the revolving credit facility. Following the launch of the company's online loan originations platform in mid-June 2013, the \$3.0 million facility was **replaced by a new \$10.0 million senior debt facility** in November 2013. Also from the Boston Finance Group, the effective interest rate remained 18% but the minimum advance amount was lowered to \$25,000. In addition, during 2013 and 2014, the company incurred various small, short-term working capital loans (between \$220,000 and \$60,000), which were repaid in short order.

On July 15, 2015, BFG Investment Holdings converted the revolving credit facility to a term loan. IEG Holdings paid off the \$2.23 million balance of the facility in August 2015 using part of the **\$6.1 million in proceeds from issuing various series of preferred stock** and **\$4.58 million from the issuance of common stock** during 2015. At the end of 2015, the company had no long-term debt.

During 2016, stock offerings provided **\$3,728,686** in net proceeds while the issuance of preferred shares supplied **\$246,000**. Net proceeds were used primarily to fund new loan originations and general corporate purposes.

Through the third quarter of 2017, IEG Holdings received **\$3,400,106** through the sale of the 151,994 shares of OneMain Holding (OMF) stock the company accepted in a tender offer. In addition, between October 30th and December 28th, IEG Holdings issued 1,292,089 shares of Series H preferred stock, which provided **gross proceeds of \$1,292,089**.

VALUATION

Consumer lending companies fall into several business line categories: traditional lenders (secured loans), marketplace lenders, credit card issuers, educational finance companies, payday lenders, middle market commercial lenders, non-prime consumer loans, etc. Even though IEG's direct competitors in the state-licensed, personal loan space are companies like OneMain Financial (OMF) and World Acceptance Corporation (WRLD), the company is in a unique life cycle position. IEG Holdings has exhibited dramatic loan book growth and is on the verge of positive operating cash flow and profitability.

Larger, profitable lenders tend to trade at low P/S ratios usually in the 0.7 and 2.1 times revenues; however, higher growth potential marketplace lenders are trading in a higher range (3.4 to 12.3 times revenues). Marketplace lending category is composed of companies that provide an online marketplace where investors and borrowers can connect. The companies offer a technology-based platform that automates the borrower application process and provides loan servicing, and at the same time provides analytical tools that enable investors to decide whether to add the loan to their portfolios.

IEG Holdings is still in an early phase of its life cycle with loan originations volume on a high growth trajectory over a multi-year period. The company should trade at a much higher multiple reflecting the company's potential. It is difficult to find a comparable lending company today with revenues in the \$2-to-\$3 million range with the same upside potential as IEG Holdings. However, in the past, LendingClub (LC), Main Street Capital (MAIN), Manhattan Bridge Capital (LOAN) and NewStar Financial (NEWS) were in roughly the same position as lenders with a particular focus but with significant loan portfolio growth potential. These stocks all attained Price-to-Sales valuation levels over 9.0 times and one as high as 51.8 times.

Utilizing annual revenues of \$3.57 million, which we expect the company to attain organically by 2022, and with the expectation that IEG Holding stock can attain a P/S ratio of 9.1 at that time, the share price target would be \$1.53 at the end of 2022. However, to translate that value to a current target price, we employ a net present value (NPV) calculation with a 5.5% discount rate. This valuation methodology indicates a **price target of \$1.20 for IEGH**.

| Industry Comparables | Pr Chg YTD | P/E CFY | EPS Gr 5Yr Est | Price/ Book | Price/ Sales | Price/ CF |
|------------------------------------|-----------------------------|--------------------|---------------------------|---------------------------------|----------------------------------|-------------------------------|
| IEG HOLDINGS CORP. | 0.0 | N/M | 7.0 | 0.8 | 2.9 | N/M |
| Industry Mean | -1.2 | 16.8 | 7.0 | 1.8 | 8.4 | 16.9 |
| Industry Median | -0.5 | 16.8 | 7.0 | 1.7 | 6.7 | 17.7 |
| S&P 500 | 1.9 | 18.7 | 10.8 | 9.1 | 4.3 | 20.4 |
| Peer Group | | | | | | |
| LENDING CLUB | -0.7 | N/M | N/A | 1.7 | 3.0 | N/M |
| MAIN STREET CAPITAL | -0.3 | 16.8 | 7.0 | 1.7 | 11.6 | 17.7 |
| MANHATTAN BRIDGE CAPITAL | -2.6 | N/M | N/A | 2.0 | 10.5 | 16.0 |
| | Year of High | P/E CFY | EPS Gr 5Yr Est | Peak Price/ Book | Peak Price/ Sales | Peak Price/ CF |
| Historical Precedents | | | | | | |
| LENDING CLUB | 2014 | N/M | N/M | 66.2 | 51.8 | 454.5 |
| MAIN STREET CAPITAL | 2017 | 17.5 | N/M | 1.7 | 12.3 | 18.2 |
| MANHATTAN BRIDGE CAPITAL | 2007 | N/M | N/M | 0.6 | 19.0 | N/M |
| NEWSTAR FINANCIAL | 2013 | 42.7 | N/M | 1.0 | 9.1 | 74.6 |
| Recent Industry Acquisition | Year | Acquiror | | Price/ Book | Price/ Sales | Price/ CF |
| NEWSTAR FINANCIAL | 2017 | First Eagle | 25.0 | 0.8 | 6.1 | 16.1 |

RISKS

- Even though the personal loan market presents an opportunity for significant growth, the consumer installment lending industry is a highly competitive and highly fragmented. Competitive reactions by both established players and newcomers could diminish the effect of the company's uniquely focused loan offerings which are provided on its online loan origination platform. In addition, other disruptive FinTech products, particularly online marketplace platforms, are impacting the competitive landscape of the unsecured consumer installment loan space.
- Although the U.S. consumer credit market is currently reasonably healthy, unfavorable changes in the macroeconomic environment may negatively impact consumer lenders, both in terms of lower availability of qualified loan applicants and higher credit risk on the existing loan portfolio.
- Until the company achieves profitability, additional capital will be needed to fund operations and loan originations. Thus far, management has been very successful in obtaining capital through equity (both common and preferred) and debt offerings.
- CEO Paul Mathieson controls a 39.5% of the outstanding shares. In addition, he is the sole Director.

INSIDER OWNERSHIP

- As of December 31, 2017, IEG's founder and CEO, Paul Mathieson beneficially owned 6,900,000 common shares representing 39.5% of the shares outstanding. COO Carla Cholewinski owned 2,000 shares. CEO Paul Mathieson is no longer a majority stockholder, not due to any stock sales but due solely to the issuance of common stock.

BALANCE SHEET

| IEG Holdings Corp. | | | | | | | |
|---|-------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|
| Balance Sheet | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 3Q 2017 |
| | 12/31/2011 | 12/31/2012 | 12/31/2013 | 12/31/2014 | 12/31/2015 | 12/31/2016 | 09/30/2017 |
| ASSETS | | | | | | | |
| Cash and cash equivalents | 143,251 | 178,601 | 281,879 | 433,712 | 485,559 | 322,441 | 1,850,317 |
| Loans receivable | 5,300 | 18,482 | 64,719 | 4,316,316 | 7,124,702 | 6,374,908 | 4,975,770 |
| Advances to officer | 0 | 203,119 | 0 | 0 | 0 | 0 | 0 |
| Other receivables | 0 | 0 | 0 | 25,882 | 76,262 | 84,851 | 70,657 |
| Prepaid expenses | 0 | 0 | 0 | 0 | 7,276 | 12,955 | 30,126 |
| Total current assets | 148,551 | 400,202 | 346,598 | 4,775,910 | 7,693,799 | 6,795,155 | 6,926,870 |
| Property and equipment - net | 148,917 | 80,235 | 43,349 | 36,100 | 28,511 | 19,322 | 14,827 |
| Loans receivable | 44,910 | 112,004 | 361,394 | 0 | 0 | 0 | 0 |
| Security deposits | 35,927 | 34,454 | 39,329 | 39,329 | 35,839 | 7,470 | 13,264 |
| Loan costs - net | 0 | 164,301 | 131,470 | 77,781 | 0 | 0 | 0 |
| Total assets | 378,305 | 791,196 | 922,140 | 4,929,120 | 7,758,149 | 6,821,947 | 6,954,961 |
| LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT) | | | | | | | |
| Accounts payable and accrued expenses | 50,337 | 157,504 | 323,978 | 172,139 | 96,441 | 1,060 | 158,166 |
| Preferred dividends payable | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Common stock dividends payable | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Deposit on preferred stock to be issued | 0 | 0 | 0 | 0 | 0 | 0 | 63,595 |
| Deferred rent | 32,860 | 48,844 | 48,844 | 28,429 | 11,522 | 0 | 0 |
| Deferred salary | 597,916 | 1,401,763 | 0 | 0 | 0 | 0 | 0 |
| CEO accrued consulting fees | 0 | 0 | 0 | 106,588 | 0 | 0 | 0 |
| Working capital loans | 0 | 0 | 140,000 | 0 | 0 | 0 | 0 |
| Current portion of senior debt | 0 | 0 | 114,562 | 0 | 0 | 0 | 0 |
| Total current liabilities | 681,113 | 1,608,111 | 627,384 | 307,156 | 107,963 | 1,060 | 221,761 |
| Senior debt | 0 | 250,000 | 385,438 | 2,230,000 | 0 | 0 | 0 |
| Deposit on preferred stock to be issued | 0 | 0 | 1,910,774 | 0 | 0 | 0 | 0 |
| Total liabilities | 681,113 | 1,858,111 | 2,923,596 | 2,537,156 | 107,963 | 1,060 | 221,761 |
| Preferred stock | 0 | 0 | 0 | 2,400 | 1,160 | 0 | 0 |
| Common stock | 3,000 | 272,447 | 956,723 | 2,158,111 | 2,165,405 | 2,233,182 | 2,235,803 |
| Additional paid-in-capital | 1,990,193 | 3,464,161 | 6,323,319 | 14,914,705 | 26,025,071 | 29,698,025 | 32,860,217 |
| Prepaid preferred share redemption | 0 | 0 | 0 | 0 | (160,000) | 0 | 0 |
| Subscription receivable | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Accumulated deficit | (2,296,001) | (4,803,523) | (9,281,498) | (14,683,252) | (20,381,450) | (25,110,320) | (28,362,820) |
| Total stockholders' equity (deficit) | (302,808) | (1,066,915) | (2,001,456) | 2,391,964 | 7,650,186 | 6,820,887 | 6,733,200 |
| Total liabilities and shareholders' equity | 378,305 | 791,196 | 922,140 | 4,929,120 | 7,758,149 | 6,821,947 | 6,954,961 |
| Shares outstanding | 272,447 | 272,447 | 956,723 | 2,158,110 | 2,887,428 | 9,714,186 | 12,335,293 |

INCOME STATEMENT

| IEG Holdings Corp. | | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Income Statement | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 E |
| | 12/31/2011 | 12/31/2012 | 12/31/2013 | 12/31/2014 | 12/31/2015 | 12/31/2016 | 12/31/2017 |
| Interest revenue | 6,525 | 28,950 | 56,585 | 521,018 | 1,789,701 | 2,086,976 | |
| Other revenue | 3,490 | 8,829 | 6,364 | 8,207 | 45,464 | 48,070 | |
| TOTAL REVENUES | 10,015 | 37,779 | 62,949 | 529,225 | 1,835,165 | 2,135,046 | 1,659,251 |
| Salaries and compensation | 1,512,433 | 1,680,264 | 1,345,243 | 1,889,136 | 2,126,243 | 1,592,990 | 1,077,491 |
| General and administrative | 132,678 | 114,455 | 277,165 | - | - | - | - |
| Other operating expenses | 133,533 | 167,225 | 188,110 | 904,920 | 1,399,157 | 1,561,045 | 390,889 |
| Consulting & professional fees | 8,605 | 86,610 | 563,695 | 871,228 | 1,013,690 | 1,154,465 | 0 |
| Provision for credit losses | 9,632 | 20,340 | 63,492 | 614,684 | 1,134,518 | 1,865,362 | 1,209,529 |
| Advertising | - | - | - | 459,804 | 950,905 | 373,350 | 374,268 |
| Rent | 200,293 | 215,856 | 290,985 | 250,744 | 244,621 | 178,678 | 70,097 |
| Travel, meals and entertainment | 83,116 | 127,906 | 79,964 | 376,101 | 129,351 | 141,686 | 0 |
| Public co. & corp. finance expenses | - | - | - | - | - | - | 1,744,856 |
| Depreciation and amortization | 23,683 | 81,664 | 36,885 | 15,054 | 14,124 | 8,618 | 5,946 |
| Start up costs | - | - | 1,500,000 | - | - | - | - |
| TOTAL OPERATING EXPENSES | 2,103,973 | 2,494,320 | 4,345,539 | 5,381,671 | 7,012,609 | 6,876,193 | 4,873,076 |
| LOSS FROM OPERATIONS | (2,093,958) | (2,456,541) | (4,282,590) | (4,852,446) | (5,177,444) | (4,741,147) | (3,213,824) |
| Interest income (expense) | - | (51,109) | (195,895) | (558,257) | (527,921) | 0 | 149 |
| Gain (loss) on sale of marketable securities | - | - | - | - | - | - | (153,514) |
| (Legal settlements and related fees) | - | - | - | - | - | - | (624,283) |
| Miscellaneous income (expense) | 333 | 129 | 510 | 8,949 | 7,167 | 12,278 | 214 |
| TOTAL OTHER INCOME (EXPENSE) | 333 | (50,980) | (195,385) | (549,308) | (520,754) | 12,278 | (777,434) |
| NET LOSS | (2,093,625) | (2,507,521) | (4,477,975) | (5,401,754) | (5,698,198) | (4,728,869) | (3,991,258) |
| Dividends on preferred shares | 0 | 0 | 0 | (204,526) | (311,056) | (35,517) | 0 |
| Net income (loss) to common stock | (2,093,625) | (2,507,521) | (4,477,975) | (5,606,280) | (6,009,254) | (4,764,386) | (3,991,258) |
| Earnings (loss) per shares - diluted | (7.68) | (9.20) | (7.24) | (4.20) | (2.52) | (0.60) | (0.35) |
| Weighted avg. number of shares | 272,447 | 272,447 | 618,850 | 1,334,514 | 2,381,258 | 7,918,922 | 11,251,674 |

IEG Holdings Corp.

| | 2014 12/31/2014 | 2015 1Q | 2015 2Q | 2015 3Q | 2015 4Q | 2015 12/31/2015 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Interest revenue | 521,018 | 339,476 | 438,263 | 520,373 | 491,589 | 1,789,701 |
| Other revenue | 8,207 | 860 | 18,463 | 9,894 | 16,247 | 45,464 |
| TOTAL REVENUES | 529,225 | 340,336 | 456,726 | 530,267 | 507,836 | 1,835,165 |
| Salaries and compensation | 1,889,136 | 425,226 | 407,424 | 718,532 | 575,061 | 2,126,243 |
| Other operating expenses | 904,920 | 224,095 | 352,185 | 329,441 | 493,436 | 1,399,157 |
| Consulting & professional fees | 871,228 | 176,964 | 445,849 | 282,189 | 108,688 | 1,013,690 |
| Provision for credit losses | 614,684 | 151,404 | 428,604 | 213,611 | 340,899 | 1,134,518 |
| Advertising | 459,804 | 89,979 | 225,645 | 211,828 | 423,453 | 950,905 |
| Rent | 250,744 | 73,503 | 57,100 | 57,372 | 56,646 | 244,621 |
| Travel, meals and entertainment | 376,101 | 28,789 | 47,121 | 25,718 | 27,723 | 129,351 |
| Depreciation and amortization | 15,054 | 3,823 | 4,192 | 4,192 | 1,917 | 14,124 |
| TOTAL OPERATING EXPENSES | 5,381,671 | 1,173,783 | 1,968,120 | 1,842,883 | 2,027,823 | 7,012,609 |
| LOSS FROM OPERATIONS | (4,852,446) | (833,447) | (1,511,394) | (1,312,616) | (1,519,987) | (5,177,444) |
| Interest income (expense) | (558,257) | (141,119) | (333,108) | (122,225) | 68,531 | (527,921) |
| Miscellaneous income (expense) | 8,949 | 244 | 5 | 14,506 | (7,588) | 7,167 |
| TOTAL OTHER INCOME (EXPENSE) | (549,308) | (140,875) | (333,103) | (107,719) | 60,943 | (520,754) |
| NET LOSS | (5,401,754) | (974,322) | (1,844,497) | (1,420,335) | (1,459,044) | (5,698,198) |
| minus Dividends on preferred shares | (204,526) | (70,792) | (72,689) | (61,045) | (106,530) | (311,056) |
| Net income (loss) to common stock | (5,606,280) | (1,045,114) | (1,917,186) | (1,481,380) | (1,565,574) | (6,009,254) |
| Earnings (loss) per shares - diluted | (4.20) | (0.48) | (0.89) | (0.60) | (0.57) | (2.52) |
| Weighted avg. number of shares | 1,334,514 | 2,158,110 | 2,159,840 | 2,451,888 | 2,757,000 | 2,381,258 |
| | 2015 12/31/2015 | 2016 1Q | 2016 2Q | 2016 3Q | 2016 4Q | 2016 12/31/2016 |
| Interest revenue | 1,789,701 | 512,792 | 526,380 | 547,551 | 500,253 | 2,086,976 |
| Other revenue | 45,464 | 12,180 | 18,976 | 10,000 | 6,914 | 48,070 |
| TOTAL REVENUES | 1,835,165 | 524,972 | 545,356 | 557,551 | 507,167 | 2,135,046 |
| Salaries and compensation | 2,126,243 | 403,006 | 406,323 | 397,795 | 385,866 | 1,592,990 |
| Other operating expenses | 1,399,157 | 410,061 | 409,407 | 315,368 | 426,209 | 1,561,045 |
| Consulting & professional fees | 1,013,690 | 145,587 | 307,693 | 414,443 | 286,742 | 1,154,465 |
| Provision for credit losses | 1,134,518 | 387,519 | 354,918 | 257,907 | 865,018 | 1,865,362 |
| Advertising | 950,905 | 47,824 | 173,485 | 92,593 | 59,448 | 373,350 |
| Rent | 244,621 | 54,687 | 52,778 | 47,373 | 23,840 | 178,678 |
| Travel, meals and entertainment | 129,351 | 36,128 | 90,040 | 13,085 | 2,433 | 141,686 |
| Depreciation and amortization | 14,124 | 1,916 | 1,917 | 3,212 | 1,573 | 8,618 |
| TOTAL OPERATING EXPENSES | 7,012,609 | 1,486,728 | 1,796,561 | 1,541,776 | 2,051,128 | 6,876,193 |
| LOSS FROM OPERATIONS | (5,177,444) | (961,756) | (1,251,205) | (984,225) | (1,543,961) | (4,741,147) |
| Interest income (expense) | (527,921) | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous income (expense) | 7,167 | 5,077 | 6,673 | (324) | 852 | 12,278 |
| TOTAL OTHER INCOME (EXPENSE) | (520,754) | 5,077 | 6,673 | (324) | 852 | 12,278 |
| NET LOSS | (5,698,198) | (956,679) | (1,244,532) | (984,549) | (1,543,109) | (4,728,869) |
| minus Dividends on preferred shares | (311,056) | (29,939) | (1,421) | (1,875) | (2,282) | (35,517) |
| Net income (loss) to common stock | (6,009,254) | (986,618) | (1,245,953) | (986,424) | (1,545,391) | (4,764,386) |
| Earnings (loss) per shares - diluted | (2.52) | (0.33) | (0.13) | (0.10) | (0.16) | (0.60) |
| Weighted avg. number of shares | 2,381,258 | 2,958,044 | 9,443,236 | 9,570,221 | 9,704,200 | 7,918,922 |

IEG Holdings Corp.

| | 2016 12/31/2016 | 2017 1Q | 2017 2Q | 2017 3Q | 2017 4Q E | 2017 E 12/31/2017 |
|---|--------------------|------------------|--------------------|--------------------|------------------|----------------------|
| Interest revenue | 2,086,976 | 450,729 | 400,986 | 386,565 | | |
| Other revenue | 48,070 | 16,654 | 12,955 | 20,805 | | |
| TOTAL REVENUES | 2,135,046 | 467,383 | 413,941 | 407,370 | 370,557 | 1,659,251 |
| Salaries and compensation | 1,592,990 | 120,278 | 118,925 | 419,144 | 419,144 | 1,077,491 |
| Other operating expenses | 1,561,045 | 115,204 | 79,362 | 104,985 | 91,338 | 390,889 |
| Consulting & professional fees | 1,154,465 | - | - | - | - | 0 |
| Provision for credit losses | 1,865,362 | 224,488 | 394,836 | 300,205 | 290,000 | 1,209,529 |
| Advertising | 373,350 | 880 | 2,580 | 180,808 | 190,000 | 374,268 |
| Rent | 178,678 | 10,857 | 18,032 | 23,826 | 17,382 | 70,097 |
| Travel, meals and entertainment | 141,686 | - | - | - | - | 0 |
| Public company and corporate finance expenses | - | 498,191 | 697,344 | 449,321 | 100,000 | 1,744,856 |
| Depreciation and amortization | 8,618 | 1,573 | 1,471 | 1,451 | 1,451 | 5,946 |
| TOTAL OPERATING EXPENSES | 6,876,193 | 971,471 | 1,312,550 | 1,479,740 | 1,109,315 | 4,873,076 |
| LOSS FROM OPERATIONS | (4,741,147) | (504,088) | (898,609) | (1,072,370) | (738,757) | (3,213,824) |
| Interest income (expense) | 0 | 149 | 0 | 0 | 0 | 149 |
| Gain (loss) on sale of marketable securities | 0 | 0 | (153,514) | 0 | 0 | (153,514) |
| (Legal settlements and related fees) | 0 | 0 | 0 | (624,283) | 0 | (624,283) |
| Miscellaneous income (expense) | 12,278 | 0 | 140 | 74 | 0 | 214 |
| TOTAL OTHER INCOME (EXPENSE) | 12,278 | 149 | (153,374) | (624,209) | 0 | (777,434) |
| NET LOSS | (4,728,869) | (503,939) | (1,051,983) | (1,696,579) | (738,757) | (3,991,258) |
| Dividends on preferred shares | (35,517) | 0 | 0 | 0 | 0 | 0 |
| Net income (loss) to common stock | (4,764,386) | (503,939) | (1,051,983) | (1,696,579) | (738,757) | (3,991,258) |
| Earnings (loss) per shares - diluted | (0.60) | (0.05) | (0.10) | (0.13) | (0.06) | (0.35) |
| Weighted avg. number of shares | 7,918,922 | 9,714,186 | 10,248,670 | 12,708,547 | 12,335,293 | 11,251,674 |

HISTORICAL STOCK PRICE



DISCLOSURES

The following disclosures relate to relationships between Zacks Small-Cap Research (“Zacks SCR”), a division of Zacks Investment Research (“ZIR”), and the issuers covered by the Zacks SCR Analysts in the Small-Cap Universe.

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I, Steven Ralston, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. I believe the information used for the creation of this report has been obtained from sources I considered to be reliable, but I can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice.

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This report provides an objective valuation of the issuer today and expected valuations of the issuer at various future dates based on applying standard investment valuation methodologies to the revenue and EPS forecasts made by the SCR Analyst of the issuer’s business. SCR Analysts are restricted from holding or trading securities in the issuers that they cover. ZIR and Zacks SCR do not make a market in any security followed by SCR nor do they act as dealers in these securities. Each Zacks SCR Analyst has full discretion over the valuation of the issuer included in this report based on his or her own due diligence. SCR Analysts are paid based on the number of companies they cover. SCR Analyst compensation is not, was not, nor will be, directly or indirectly, related to the specific valuations or views expressed in any report or article.

ADDITIONAL INFORMATION

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ⁱ IEG Holdings Corporation, Form S-4, January 5, 2018, page 56.