

CARES Act Economic Relief Plan

# Paycheck Protection Program



As per the Securities and Exchange Commission (SEC) guidance, we are required to disclose any financial condition that may reasonably impair our ability to meet our contractual commitments to our clients. Due to the economic uncertainties surrounding the current COVID-19 pandemic, we believed it was prudent for us to apply for, and accept, the Payroll Protection Program (PPP) loan offered by the Small Business Administration in order to support our ongoing operations. On May 7, 2020, ZEGA Financial received a PPP loan in the amount of \$101,120.00 which was part of the economic relief provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The firm will use the PPP funds towards payroll for the firm's employees and other permissible payments. The loan allows us to continue to provide operational excellence that ZEGA clients have received in the past. Lastly, the loan is forgivable provided the firm satisfies the terms of the PPP program.

If you have further questions regarding the loan, please email: [Service@ZEGAFinancial.com](mailto:Service@ZEGAFinancial.com)

See FAQs below:

## PPP FAQ's

Q: What is the Paycheck Protection Program (PPP)?

A: The Paycheck Protection Program (PPP), a provision of the CARES Act, offers forgivable low-interest loans to small businesses facing uncertainty during the COVID-19 emergency, so you can retain workers, maintain payroll, and cover certain other existing overhead costs.

Q: Is ZEGA going to go out of business?

A: *No. ZEGA is in an exceptionally good position financially and will continue to have industry leading products and service.*

Q: Why did ZEGA need to take a PPP loan?

A: *The federal government recommended all small businesses negatively affected by COVID-19 to apply for a PPP loan.*

Q: How did COVID-19 effect ZEGA in such a way that ZEGA needed the PPP loan?

A: *All RIA's were negatively affected by the drop in AUM caused by a 20-30% drop in the markets. However, ZEGA is in a better position than many RIA's due our hedged strategies designed to reduce drawdowns and non-correlated option tactics.*

Q: Is ZEGA going to pay the loan back if they do not use the PPP loan for salaries and/or rent?

A: *ZEGA will follow the required rules and regulation related to the PPP loan and will pay back the loan if all the funds are not used.*

Q: Is anything going to change with ZEGA's strategies, service, or operations?

A: *No. Nothing is going to change with ZEGA's strategies, best in class service or operations.*

Q: What is ZEGA doing different in the future to make sure ZEGA does not need relief like the PPP loan?

A: *ZEGA goes through extensive analysis on a quarterly basis to determine cash flow and planning.*

Q: Why did ZEGA have to disclose the PPP loan?

A: *The Securities and Exchange Commission (SEC) required all RIA's to disclose PPP loans.*