

# C&L Enterprise Plus, Inc. Business Plan

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## THE OPPORTUNITY

Over the years, prepaid cards have been launched to meet payment needs of various customer segments / industry processes – gifting, payroll processing, government benefit disbursement, consumer transit, travel expenditure, healthcare reimbursements, student groups, insurance disbursement, and employee incentive processing.

Unbanked customers, who either are new to banking or have a poor credit history for various reasons are also being included as potential customers for use of prepaid cards.

The prepaid card industry is facing various challenges such as keeping the product pricing competitive, promoting standardization, and improving security. To overcome these challenges, the financial institutions are pushing for a streamlined know your customer (KYC) process, allowing reload of prepaid cards in ATMs, standardizing fees, and embracing Europay, MasterCard, and Visa (EMV), to reduce fraud.

The global market for prepaid cards is projected to reach US\$3.1 trillion by 2022, with the growing financial needs of unbanked and under-banked customers and growth fueled by innovations in card features, online transactions, and the need to go cashless across the globe.

Mercator Advisory Group forecasts that the growth of open-loop prepaid cards in the US will increase by seven percent through 2018 reaching a total of US\$343 billion and the closed loop prepaid will have a three percent CAGR through 2018 by reaching a total of US\$371 billion.

Our goal at C&L Enterprise Plus Inc., is to use our President, Mr. Losaire Bien-Aime's experience in the accounting & financial services as an asset to market the prepaid debit card.

As an accounting and a Tax preparer for over two decades, including conducting of live seminars for many colleagues, Mr. Losaire Bien-Aime will become an invaluable ambassador for the prepaid debit card program brand.

Specifically the small & medium business payroll entities are under-served and a niche that C&L Enterprise plans on capturing. Through affiliate and referral incentive programs C&L has the resources to market to thousands of small businesses.

Finally, a strong marketing budget, including social media & radio will be used throughout year one to reach our goal of issuing 2,500 cards per month.

## Overview of Market product offering in prepaid cards

Prepaid cards can be classified into various categories:

Product name	Description
General purpose reloadable (GPR) prepaid cards	GPR prepaid cards are reloadable prepaid cards and typically open-loop cards (issued under one of the card network logos) with a wider acceptance at merchant outlets.
Prepaid debit card	These cards are similar to GPR prepaid cards and issued as an alternative to checking accounts for people who do not qualify for a banking account or cannot afford the fees linked to maintaining a bank account. These cards work with a wide variety of transactions in gas stations, grocery shops, paying bills, or online transactions. They work with open loop and closed loop networks.
Prepaid gift card	These cards can be gifted to anyone for different occasions and the recipient can use them for various purchases in stores as well as online. They are non-reloadable and the money loaded is fixed ranging from US\$25 to US\$500. If the card is lost or stolen, it can be replaced by providing the account number.
Payroll card	Payroll cards were introduced for the benefit of unbanked employees. These cards have the flexibility of prepaid debit cards and traditional debit cards for making purchases, paying bills, and withdrawing money from ATMs. Payroll cards reduce the cost and increase the efficiency of payroll processing.
Government benefit card	This card was introduced for the benefit of citizens receiving funds from the government sector. These cards allow users to receive food stamps, child support, unemployment benefits, veteran's benefits, pensions, or social security payments. Government benefit cards increase the efficiency of administration of government assistance programs.
Prepaid transit card	Transit cards are reloadable cards with limited usability. They can be obtained from public transportation operators and cash IS loaded through online or at onsite reload machines, or point-of-sale (POS) terminals. These cards are used solely for purchasing transit fares and at the issuing transportation system. These cards do not require identity verification of the cardholder for activation. Transit cards can be issued to anyone without any identity check of the traveler.
Prepaid travel card	As the name suggests, the prepaid travel card is designed for travel reservations and transactions during trips. They are also called prepaid currency cards where the card is loaded before departing on a trip with the home currency and all the transactions are automatically converted to local currency with foreign transaction fee. To avoid this foreign exchange fee, some travel cards ask cardholders to select the foreign currency and lock the exchange rate on the day the card is loaded with funds. Prepaid travel cards are reloadable.
Health savings account card	The employer offers a flexible spending account called health savings account, where the employee can set aside a part of the wages for eligible medical expense, which has the advantage of being tax-free. Once the threshold limit is met for the year, the employee can earn interest and this card can be used in ATMs, hospitals, and pharmacies.
Prepaid student ID Card	Some universities and colleges offer student ID cards that serve multiple purposes like making purchases or paying for services in campus. Such cards are reloadable. Colleges and universities have started special arrangements with banks and other financial institutions, which allow students to link their bank account with student ID cards, so they can withdraw cash in ATMs.
Prepaid incentive card	These cards serve the purpose of rewarding employees for their satisfactory work. Corporates can issue a prepaid incentive card to their employees instead of providing a voucher or a gift card.
Prepaid insurance card	Insurance companies offer prepaid insurance cards to improve efficiency and speed of claim disbursements. They are mainly used for vehicle accidents, worker compensation payouts, and payouts for property insurance.
Prepaid business card	Businesses that do not wish to provide corporate credit or debit cards to their employees, contractors, or vendors, turn to prepaid business cards as an alternative. These cards are intended for paying business-related expenses, including equipment, consulting services, office supplies, and meetings.

## THE COMPANY

### Introduction & Mission

**C&L Enterprise Plus, Inc.**, has been analyzing stored value products, it is evident that innovations in the prepaid card industry are primarily driven by the ease of adding funds to the prepaid card, acceptance of the card at various retailers, access to ATMs and other means of withdrawing cash, cost associated with prepaid services, and the ability to manage finances. C&L Enterprise Plus is determined to come up with innovative ways of catering to customer needs.

**Solution:** C&L Enterprise Plus intends to offer a **General Purpose Reloadable** co-branded **Visa or Mastercard** program with direct deposits and bank transfers. Customers will be offered the facility to load their cards through mobile check deposit. This feature allows customers to deposit funds into their prepaid account by photographing a check through their mobile application. The check is processed and the funds are added into the prepaid card after a stipulated time frame. Bluebird, Kaiku, and AccountNow are some of the prepaid card providers, which offer this kind of feature in partnership with IngoMoney.

C&L would offer its customers the facility to fund their prepaid card through cash or other cards at any Walmart checkout register. Furthermore, C&L prepaid card customers can also use MoneyPak and Western Union to load funds.

The C&L Enterprise Plus systems provide a comprehensive end-to-end online payment solution that incorporates account funding, card assignment, card loading and on demand reporting. C&L Enterprise Plus staff in-house, multilingual customer service personnel and offer cardholder support via phone, e-mail and live chat.

It currently owns the domain, [www.CLEnterprisePlus.com](http://www.CLEnterprisePlus.com)

The mission of the company is: “To be the best and most trusted, broadly accepted provider of payment solutions and prepaid stored valued services, starting with the South Florida community and scaling nationwide.”

C&L Enterprise Plus’s executive team and alliances is comprised of financial business professionals, expert marketers and administrators in the financial service industry, specifically the tax preparation sector with small businesses and consumers. C&L Enterprise Plus’s unique selling proposition is derived through its intellectual property utilizing a network of over 200 other tax preparers whom have committed to the program, especially during the tax season to resell the prepaid debit card to the unbanked clients and small businesses when filing their tax returns.

The C&L Enterprise Plus solution will utilize a core processor providing a certified PCI-compliant secure issuing platform. The C&L Enterprise Plus prepaid products will be presented to the US bank which would sponsor the issuing prepaid BIN's (Bank Identification Numbers), member and co-branded with MasterCard® or Visa®.

## **Legal and Regulatory Concerns**

C&L Enterprise Plus, believes there exists a lack of standardization of fees, for example, inactivity fees and account-closing fees associated with the products, features, and services in the prepaid segment, thus making it difficult for customers to choose between the various offerings in the market.

Direct comparison between various prepaid products is a complex exercise making the process of selecting the provider a time- consuming exercise. To ease some of these concerns and accelerate the acceptance of prepaid cards, a set of common industry standards improves the market. The Consumer Financial Protection Bureau (CFPB) has proposed new regulations and guidelines to impart standardization of features, provide security of funds on prepaid cards to prevent fraud, misuse, and theft of funds, and aid the customer in selecting the right product that suits their needs.

Various communication channels are currently being used to educate customers about policies, new features, and special offers for prepaid cards. C&L Enterprise Plus will also use these communication channels to inform customers about the various fees, and provide tips on how to spend correctly to reduce the fees applicable. High fees remain a common source of customer grievance and helping them manage this well will increase satisfaction and retain customers.

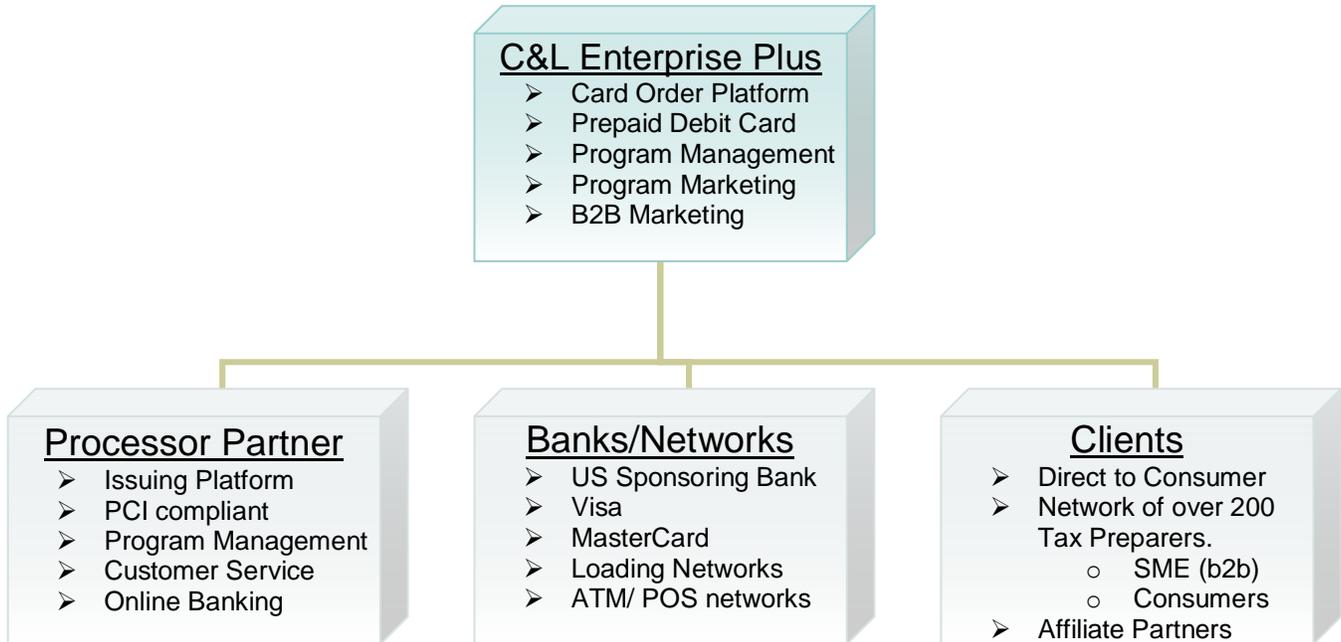
C&L Enterprise Plus's goal to keep up with all the legal and regulatory issues surrounding prepaid cards, including those relating to security issues and consumer-protection laws. Ultimately, C&L Enterprise Plus wants to increase awareness of how various prepaid-card systems work and the ways in which regulations can affect them. Such awareness, the company believes, can inform the debate over how best to regulate this increasingly popular payment method.

## **Plan Ahead**

C&L Enterprise Plus is aware of current laws to successfully implement and offer online payments and stored value cards. Planning and consultation can navigate the complexities of stored value cards and provide profitable business results.

## C&L Enterprise Plus , Prepaid Debit Card Program Organizational Structure

The company consists of a structure that can leverage its various technologies and take advantage of new business opportunities. C&L Enterprise Plus, Program has various operating departments and strategic alliances, consisting of processing, banking, technologies, proprietary software, marketing, administrative, sales and business development that will be described later in this plan.



## C&L Enterprise Plus' Goals

C&L Enterprise Plus is dedicated to providing small/med size businesses, tax preparers, accountants and participants with the ability to have a versatile payment solution. The company's goal is to deliver the best functionality in a co-branded prepaid card payment solutions.

Specific goals for the first three years of operation include:

- Capitalize on the explosive growth of stored value cards
- Operate and market the leading B2C & B2B payment solution company for the national market through its strategic alliances with accountant & tax preparation operators.
- Obtain a 15% share of the accountant/tax preparer, through innovative, creative marketing and B2B advertising efforts within the first 2 years

- Maintain steady growth in supporting online & card programs the ability to acquiring new cardholders and retain more than 80% of its existing customers
- Develop and implement a mutually beneficial affiliate program that will reciprocate with new and ongoing business
- Recruit and maintain top-of-the-line, dedicated employees and provide them with a working environment where they can flourish and remain committed to C&L Enterprise Plus family
- Program increase the quality and quantity of companies as well as continue to integrate new, value-added features to empower its cardholders and keep customer loyalty and cardholder retention.

### **Corporate Offices**

C&L Enterprise Plus, Inc., corporate offices are in Pompano Beach, Florida.

### **Issuing Processing Partner**

C&L Enterprise Plus partners with an issuing processor for full-service program management of prepaid card programs, including issuing processing and the proprietary online platform through its agreements with issuing/acquiring core PCI/DSS & SSAE16 audited processors.

### **Requesting ISO Status for New Program**

C&L Enterprise Plus is independently seeking sponsorship from a US bank, for a GPR program and is requesting a BIN with the two (2) ISO registration categories below:

ISO Cardholder (ISO – C) –conducts cardholder solicitation, card application processing services and/or customer service activities.

ISO Prepaid (ISO – PP) –solicits other entities (i.e., merchant, corporate clients, government entities, other businesses etc.) to sell, activate or load prepaid cards on behalf of an issuer. Prepaid card sales and/or activation is a primary function of their business.

## Requesting Prepaid BIN Sponsorship

- No financial obligation or commitment
- No out of pocket costs
- No hardware or software integration of any kind
- One MasterCard or Visa stored value BIN
- One ABA number for transaction segregation (optional)

5 accounts at Financial Institution with online access and inter-account transfer capability

- Trust account, where value on accounts is maintained
- Trust2 account, money market account where excess trust funds are held to earn interest
- Funding account, where funds from ACH or wire, are deposited into
- Fees account, where fees earned and fee expenses is applied
- Distribution account, where merchant funds are distributed from Reconciliation

## C&L Enterprise Plus Card Program Implementation Process

### 1. Card Program Agreement Signoff - Required for C&L Enterprise Plus BIN Assignment

- Completion of requirements gathering process
- Provision of completed ISO Due Diligence application form
- Provision of required ISO Due Diligence company documentation
- Contractual agreement with a Sponsoring US Bank

### 2. Marketing & Technical Requirements - Required for C&L Enterprise Plus Branded Program

- Card marketing material agreed (only for co-branded programs)
- Card art and marketing material submitted to Open Loop®
- Card art approved by issuing Bank & MasterCard® or Visa®
- Scope out technical interface requirements and API requirement
- Daily balance and reconciliation requirements agreed

### 3. Testing

- Card testing begins
- Client receives test cards to test at POS, online, ATM, etc
- API and integration testing commences
- Testing complete

#### **4. Production Testing**

- Complete API testing from staging and move to production environment
- All code moved to production

#### **5. Finalize Requirements**

- KYC procedures finalized and signed off by issuing bank compliance dept
- Fulfillment instructions completed, fulfillment ready to commence upon receipt of cards
- All training completed
- All financial settlement completed, including direct debit for fees to client

#### **6. Card Production - Manufacturing for Customized Program Only - Quick Launch & Customized will both require “fulfillment”.**

- Prepaid Debit Card Manufacturer begins production of C&L Enterprise Plus customized brand cards.
- Card Stock is held at a licensed and bonded Open Loop approved fulfillment house for embossing, sticker, card carrier, envelope, postage and/or shipping of instant retail issue cards.

#### **7. Accounting & Reporting – Post Launch**

- Program Owners will have reporting available online, via a secure server.
- Payments to shareholders for transaction revenue are made monthly.

## THE PRODUCT

### C&L Card™ Prepaid Visa or MasterCard



The C&L™ Visa Prepaid card is set-to-be a debit card variant denominated in USD and is pre-funded and re-loadable. It is internationally accepted in all Visa or MasterCard acceptance points (ATM, POS & Web). Cardholders do not need to have an account with a bank to acquire the C&L™ card.

#### Card Features

- Real time banking transactions
- Balance enquiry
- Purchase at POS
- Purchase on WEB
- ATM Cash withdrawal
- POS cash Advance
- Mini account statement
- Card to Card transfer
- Worldwide acceptance: Visa Prepaid is accepted at millions of locations worldwide.
- Instant payment: Faster than writing checks or going to an ATM.
- Makes shopping simple: Book travel and shop online in addition to making your everyday purchases fast and convenient.

## Card Benefits

- Creates a simple convenient alternative to cash or debit card payments.
- No need to open or have a bank account in order to have a C&™ Prepaid Card.
- The card issuance process is simplified.
- Provides better record keeping than cash (a history of transactions spent on the Prepaid Card is available on the C&™ card management system which is available on the internet).
- Increase security as the Prepaid Cardholders remain in control of the card during transactions - a personal identification number (PIN) is used alongside the Prepaid Card as well as an SMS Text Alert is received in real time with the transaction placed.
- Eliminates the need to carry large sums of cash.
- When cash is lost or stolen, in most cases cannot be recovered. In the case of a lost or stolen Prepaid Card, the value on the cardholder's account remains intact and can be transferred onto a replacement card or another Prepaid Card.
- Allow for the non-banking population (non-account holders) to obtain a Visa Prepaid Card and become part of a financial world.
- Debit cardholders afraid of using their debit cards on the Internet for purchases may obtain a Prepaid Card which can be used solely for that purpose and is not linked to their domicile account.

## Customized Visa™/ MasterCard™ Prepaid & “Co-Branded Card Programs”



- ✓ Tax Preparers
- ✓ Accountants
- ✓ Financial Services
- ✓ Small Businesses

This “CO-BRANDED”

Open Loop Prepaid MasterCard™ or Visa™ is a customized program tailored to meet the needs of the selected market. C&L Enterprise Plus services clients that require payment solutions and Independent Sales Organizations that wish to enter the open loop debit card industry. Open-loop is defined as a debit card, which is globally accepted using one of the associations such as the example of MasterCard™ and Maestro.

New innovative payment solutions are being developed through C&L Enterprise Plus 's intellectual property “C&L Card Programs”. C&L Enterprise Plus executive team has compiled program management team, which has executed the implementation of hundreds of Branded “Open Loop” debit cards, which are currently in the market.

These cards are to be used for various purposes such as disbursement, remittance, loyalty and commercial use. The global market is primed to receive an accessible payment solution, whether for enterprise, rewards, rebates, payroll, under-banked or simply for a banking instrument solution that can be trusted! The “Co-Branded / Your Company Name” program, allows them to set the fees (some restrictions apply) on each transaction such as ATM, POS, Card-to-Card transfers and monthly fees.

#### Benefits:

- 1) They can create and design your own brand on the prepaid MasterCard™ or Visa™.
- 2) They can set pricing on the schedule cardholder fees (some restrictions apply)
- 3) They can deposit funds onto the card for FREE via the platform
- 4) Their cardholders can use the card at any MasterCard™ or Visa™ locations including signature based transactions, PIN based and e-commerce.

#### **“Quick Launch” - Prepaid Debit Card Programs (Pre-existing brands)**

The C&L Quick-Launch programs provides a ready-to-go, fully-featured debit card program that allows companies, organizations or government agencies to instantly start benefiting from prepaid debit cards; perfect for small-business applications. A minimum 1,000 card order required to qualify for commissions. Ideal for Corporate payout, ISO reps and payroll.

#### **StoredValue Loyalty and Rewards**

Building strong relationships to create loyal customers

*C&L Enterprise Plus designs and manages innovative, customized loyalty programs to help card program managers acquire, retain, and grow their best customers.*

As card program managers, we need every edge. We may be focusing on increasing customer purchases or changing spending patterns. Or we may be seeking to improve customer retention. Whatever our goal is, we are no doubt facing increasing competition, changing technology, and from under banked to savvy consumers.

When it comes to creating loyalty, we really understand our customers—how, what, and where they spend—so that what we offer is right for their needs. And then we need to deliver what they expect. C&L Enterprise Plus brings the

expertise to target our customers' needs based on behavioral insights grounded in extensive data analytics.

In addition to unique data analytics capabilities, we offer:

- In-depth loyalty experience
- A robust, secure, and flexible loyalty processing platform
- Comprehensive loyalty services and reward fulfillment expertise

C&L Enterprise Plus has a full range of offerings designed to meet consumer and business needs. We partner with our clients to develop—and manage—innovative approaches that differentiate their business, drive loyal customer behavior, and provide superior return on investment.

## Loyalty Technology

### **Integrate seamlessly with existing infrastructure**

Successfully administering complex loyalty programs requires proven, rock-steady technology. Dedicated in-house professionals maintain the easily customized loyalty platform. This allows the C&L Enterprise Plus programs to readily integrate the capabilities with existing platforms so that we can offer the most competitive offerings to our customers.

In addition, C&L Enterprise Plus assures these important benefits:

- Modular design and flexible interfaces that permit easy integration with virtually any processing environment globally
- Online access by each program manager to its transaction data
- Access to an online management system that allows companies to create dynamic promotional programs and access comprehensive, real-time reports
- Support for all card types—prepaid, debit, commercial, private label, and non-payment
- Support for multiple languages (English, Spanish, etc)
- Four major system updates each year that ensure the platform remains technologically unsurpassed and requires no ongoing capital investment on our client's part
- Total dependability—the platform process of millions of transactions monthly with system availability of 99.9 percent.

### ***Best-in-Class Security***

*A recent study showed that a debit card loyalty launch realized a 28% lift in usage with a 14% higher average ticket size for cardholders enrolled in their rewards program versus those who were not.*

## **Comprehensive Services and Rewards Fulfillment**

### **Increase satisfaction for our customers**

When you engage C&L Enterprise Plus, you will always have a single point of contact from initial design through implementation. Your experienced account manager will become a true business partner— invested in the ongoing success of your programs, available on an ongoing basis to handle any concerns or questions, and proactively engaged to optimize your ability to drive revenue through enhanced loyalty.

We offer a complete suite of services to manage all aspects of our debit card loyalty programs and provide the highest level of service for customers. We ensure seamless integration between all consumers touch points and our processing platform. You select the services you wish to use.

### **Create Customer touch points**

The loyalty platform communicates with and service customers via customized Web sites, multiple call centers, statements, direct marketing, and voice response channels. Consumers can receive point balance information, shop the rewards catalog, and redeem online.

### **Rewards selection and fulfillment**

C&L Enterprise Plus works with clients every step of the way to design the most incentivized rewards matrix to meet program objectives and customers' expectations. We can source nearly any reward item you would like. Our reward categories include travel, merchandise, gift cards, charitable contributions, name-and build-your-own rewards, and experiential rewards. Programs will receive in-country fulfillment and adhere to the highest industry standards for timely product delivery.

### **Targeted loyalty promotions**

Our promotional module enables migration of cardholders to new and more profitable spending patterns. End-to-end functionality allows us to dynamically enroll multiple cardholder segments, apply unique parameters, and reward behavior based upon a specific time period, frequency of card use, and level of spend. We leverage data that is grouped together to identify spend. When a cardholder performs the required behavior, we can automatically generate a rebate to the cardholder's account / card along with the appropriate reporting.

## **Create Optimum Gift Cards**

Brand your own Gift Cards!



The Gift Card with “Your Brand” can be used at millions of locations where open-loop (MasterCard™™ or Visa™) debit cards are accepted, including retail stores, phone orders and online merchants. Because it is a debit card, spending is limited to the amount of money loaded on the card by the purchaser

The Gift Card is available in the choice of your design and an ideal choice for employee incentives and customer rewards. The recipient can use the Gift Card to buy what they want, when they want.

It offers all the protection and security features you've come to expect from open-loop - the Gift Card can be replaced if lost or stolen.

### **Benefits - Prepaid Debit Card Programs**

#### **Competitive Set Up and Maintenance Fees**

The programs have competitive start up fees and low monthly application service fees, making your card program cost-efficient and easy to launch.

#### **Global Access to International Networks**

The programs give your Cardholders instant access to the international networks for ATM, POS and online purchases and withdrawals.

#### **Residual Income Opportunities**

Strategic marketing partners can profit from all Cardholder transactions, including monthly fee, point of sale, ATM and loading transactions. The more transactions cardholders make - the more revenue!

#### **Order the Cards you need, when you need them**

The program allows to purchase anywhere between 1000- 100,000+ debit cards for instant use, with the opportunity to upgrade programs to other association debit cards in the future.

#### **Secure Access to Real-Time Information**

Each card program comes ready with a secure login to the Merchant Interface, allowing tracking of all Cardholder activation, transaction and activity online and in real-time.

## **Card Management System**

Card programs will have access to a Card Management online system, which provides access to cardholders, ordering history, I.D. verification, reporting and direct support, including the creation of customer service support tickets.

## **Cardholder Interface**

Each one of the Cardholders will have access to online banking provided by the prepaid processing platform, which provides access to their personal account including real time transaction history, balance, support and other banking related functions.

## **Full Merchant Support**

Each program comes with full support to help you start your program quickly and easily. Programs come with a branded “Buy Page”, with company logo. Simply embed or link the buy page to an existing website. Each customer acquired will automatically populate into the card management online system.

## **Virtual Load Options**

This allows users to fund their cards regardless of physical location. Some of the available options are:

- Direct deposit
- Wire transfers
- Card-to-card transfers
- PSMS \ Mobile payments
- Direct bank transfers

## **In-Person Load Options**

In-person / walk-up load options bridge the gap for users who cannot load funds online, or who prefer in-person loading. The convenience of loading cash to cards is essential for specific markets. The current available option is:

- C&L Enterprise Plus loading application for retail locations

## **Benefits of C&L Prepaid Debit Products**

**Attract new customers.** Reach consumers who may not currently qualify for, or may not yet desire, traditional banking services. Tap into new markets, including the underserved and unbanked.

**Develop new commercial relationships.** Create new co-branding and retail partnerships, while expanding distribution channels. Supermarkets, merchants, and other retail channels can be used for account acquisition.

**Expand relationships.** Use Open Loop debit cards to create cross-selling opportunities and strengthen customer relationships.

**Create new revenue streams.** Generate incremental revenue by tapping into this new consumer and corporate product category

### Benefits to Cardholders

- Global Acceptance – With the MasterCard™ branded card alone, the cardholder will be able to use the card to make purchases at over 45 million merchant locations (PIN/POS) and Maestro / Cirrus ATM locations worldwide.
- Accessible – A card is easily obtained as no bank account or previous credit history is required. Verification of I.D. is as easy as government issued I.D., social security or International Passport with copy of a utility bill.
- Security – By using our cards for “card not present” transactions, the cardholder is not divulging bank details or sensitive information over the Internet or by phone to the merchant.
- Ease of Loading – Payroll or pay out loads can be achieved by batch file loads, or real time loads at approved locations. In addition, direct deposit from a bank account in the card is enabled. International loading can also be available as needed.
- Ease of Balance & Transaction Checking – Cardholder can check balance through IVR, SMS, or online.
- Anonymity – There is no physical statement sent to the cardholder’s address unless requested. All cardholder information is available online.

### Online Banking

The online banking interface helps cardholders manage their money and keeps cardholders loyal to the web site and to the brand.

C&L Enterprise Plus meets the needs of today’s avid online banking users.

Key features include:

- Card History Retrieval: Cardholders can review their recent transactions, money transfers or received funds
- Statistical Information: The site maintains “stats” for each cardholder allowing them to access and manage their cards
- Recurring Billing: Cardholders can make payments and set up recurring billing to eliminate paper billing, postage and manage all their payments
- Direct Deposit: A direct deposit feature is made available to all cardholders. Employers can simply make direct deposits of payroll and help employees manage their money and eliminate the need for high fee check cashing and save on payroll costs
- Card to Card Transfer: A cardholder can transfer funds from a bank account into a debit card and thereafter transfer from card to card online.

## Customer Support

With thousands of transactions and emails per month managed by the customer support department, a solid system is not only necessary but places the programs in a position to provide far superior service as compared to other competitors in the industry.

While other services struggle to compete using outdated and inadequate tracking management software, our platform has the ability to provide not only timely, educated responses but also with an integrated support correspondence history browser and searchable knowledge base to help resolve frequently asked questions.

## Implementation Process

### 1. Card Program Agreement Signoff - Required for Quick Launch & Customized Programs

- Completion of requirements gathering process
- Provision of completed ISO Due Diligence application form
- Provision of required ISO Due Diligence company documentation
- Contractual agreement

### 2. Marketing & Technical Requirements - Required for Branded Program Only

- Card marketing material agreed (only for co-branded programs)
- Card art and marketing material submitted to Open Loop®
- Card art approved by issuing ISO & MasterCard™
- Scope out technical interface requirements and API requirement
- Daily balance and reconciliation requirements agreed

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- All code moved to production

### 5. Finalize Requirements

- KYC procedures finalized and signed off by issuing ISO compliance dept
- Fulfillment instructions completed, fulfillment ready to commence upon receipt of cards
- All training completed

- All financial settlement completed, including direct debit for fees to client etc

**6. Card Production - Manufacturing for Customized Program Only - Quick Launch & Customized will both require “fulfillment”.**

- Debit Card Manufacturer begins production of your customized brand cards.
- Card Stock is held at a licensed and bonded Open Loop approved fulfillment house for embossing, sticker, card carrier, envelope, postage and/or shipping of instant retail issue cards.

**7. Accounting & Reporting – Post Launch**

- Program Owners will have reporting available online, via a secure server.
- Payments to Program Owners for transaction revenue are made on a monthly basis.

## THE MARKET

Call it a function of the improving economy or the fact that consumers are getting comfortable accessing their funds via online, mobile and plastic, but innovative payment solutions and debit products are coming into their own in the market.

### **C&L Enterprise Plus™: a win-win product for consumers and C&L**

We know there is value to consumers and to C&L Enterprise Plus, and its retailers, financial-services and financial-transaction processing firms. With the online eWallet and prepaid cards, consumers benefit from another payment option and additional spending flexibility and convenience, while C&L Enterprise Plus, and companies associated with C&L Enterprise Plus, gain another revenue source.

As we see it, consumers will continue to increasingly use stored-value technology & cards as a substitute for cash, credit cards and checks. C&L Enterprise Plus realizes how much incremental revenue they can obtain from this business without assuming proportional financial risk. For this reason C&L Enterprise Plus is aggressively preparing a large business-to-consumer and business-to-business marketing campaign to get C&L's card programs out in circulation and reach critical mass.

## COMPETITION

### **Description of Important Players**

Traditionally, making payments can be an expensive and challenging process for businesses and their payees due to certain restrictions in cross-border currency movements, especially in higher risk scenarios.

By leveraging C&L Enterprise Plus entities can make fully compliant electronic payments to bank accounts, typically with 1-2 business days. Additionally, businesses can pay consumers instantly using the C&L™ reloadable prepaid debit cards.

### **For many Small, Medium and Large Scale businesses, offering a prepaid card offers major benefits.**

Customers increasingly expect this facility and it can improve your cash flow significantly. Although, people believe it's easy to accept checks or purchase orders and to process payments in the traditional way, it's not. In fact, this is necessary because buyers often require a bank account as most sales are paid for with credit and debit cards nowadays.

## Prepaid Debit Card Marketers

To use prepaid debit cards, consumers will need to get the card, load the account with any amount of money and then use the card to make purchases online. They would not be charged any interest but expect charges like a purchasing fee, transaction fees or monthly fees. Please note, they can only use funds that are available on the card.

The Prepaid Debit Card (PDC) market includes product providers, with new ones continuously emerging. Given the various functions involved in offering PDC's - card issuance, transaction processing, funds management, customer service, recordkeeping, also the sorting out roles and responsibilities can be complicated. For instance, several banks have their own PDC programs in which they use third-party transaction processors, but many of them also serve as issuers for other non-bank PDC programs, which may use different transaction processors.

A few PDC providers are vertically integrated, handling nearly all of the functions internally, while others are outsourcing everything except sales and marketing. The majority of PDC providers outsource the transaction processing to one of the processors that have developed special software platforms for running PDC's.

While numerous companies are now engaged in the provision of PDC's, some firms stand out. Major players in the market today include:

### Here are the 9 best prepaid cards for 2018:

- 24k Prepaid Visa® RushCard
- AccountNow® Gold Visa® Prepaid Card
- PayPal™ Prepaid MasterCard®
- Fifth Third Access 360° Reloadable Prepaid Card
- MOVO Virtual Prepaid Visa Card
- Western Union® NetSpend® Prepaid MasterCard®
- NetSpend® Visa® Prepaid Card
- American Express Serve® (currently unavailable through this site)
- READYdebit® Visa Prepaid Card (currently unavailable through this site)

## Basis of Competition

Prepaid cards come in all shapes and sizes, but there are certain features that help some of them stand out. When you're looking for a prepaid card, these are the characteristics you should look for:

- Convenient card loading options
- Flexible ways to spend and pay bills
- Minimal monthly fees

- Free direct deposit
- Retail networks or online connections
- Widely accepted
- Ability to send money to friends and family online or via mobile device

Although new prepaid cards come on the market every year, some have stood the test of time.

Most issued “open-system” based stored value cards (Visa & MasterCard™) offer the same general products and features – load ability, acceptability, transfer fund capability, IVR response and so on. Some card issuers may focus more on unbanked or a specific niche such as payroll cards, but all still have the same platforms and are subject to the same rules and regulations.

The major difference between C&L Enterprise Plus and its competitors comes with our intellectual property and proprietary process of combining business models through synergy within the financial services industry, such as tax preparers, accountants, small businesses and analytics (cardholder spending behavior). As opposed to most competitors that only provide a consumer product, C&L Enterprise Plus will leverage resources while maintaining standards. Most competitors are limited to offering one brand and promoting their own brand to resellers or distributors. C&L Enterprise Plus is all about branding our clients and using the “Your Company Name” slogan on our offerings.

In addition, our competitive edge is in the areas of marketing, customer support, and the delivery of the product to companies. To be successful a company must attract tier 1 companies to their system and keep them profitable. This requires sound advertising and effective business development but more importantly it requires a high-quality business-to-business service and card program management experience.

So, the fundamental basis of competition is the company’s intellectual property within the online payment and stored value industry and its strategic alliances, which encompasses banks, processors and financial services companies. The card programs must be easy to manage, have convenient loading stations, and offer innovative features that add interest to the card. Customer support must eliminate aggravations and impediments to its use or load - it must be easy to make deposits and withdraw monies, and if there is a problem, it must be resolved quickly and to the cardholders’ satisfaction.

## **C&L Enterprise Plus’s Competitive Advantage**

C&L Enterprise Plus will always be looking for ways to gain a competitive edge whether it's through new product offerings, new service features or better pricing. Technology can offer a competitive edge as well not only by introducing novel services but also by improving efficiency. Most importantly, C&L Enterprise Plus holds a key factor in its intellectual property, know-how of the business and strong relationships in the tax preparation, CPA and financial services sector.

The company will not be first to entry into the prepaid card market, but studied those that entered the market and used that knowledge as an important competitive advantage. The company was able to learn from the mistakes of earlier entrants, avoid missteps, build on their successes and “build a better solution” when the opportunity presented itself. The company developed business, pricing and marketing models that will enable C&L Enterprise Plus to become a major player in the prepaid industry.

C&L Enterprise Plus 's success will be attributed to our packaged intellectual property, high quality merchant processing services, competitive pricing and added value services and benefits. In addition, existing distribution outlets and strong relationships with strategic partners will enable the company to enter the market immediately, both domestically and internationally.

**C&L Enterprise Plus delivers superior performance in the following key areas:**

Intellectual Property: C&L Enterprise Plus has the most comprehensive data available in the industry for general reloadable multi-purpose prepaid cards. The major reason is that C&L Enterprise Plus management team has collectively implemented and executed over 20 card programs with hundreds of thousands of cards activated.

Pricing: C&L Enterprise Plus has very competitive price points. The major reason for this price point is that C&L Enterprise Plus manages its own program and is directly partnered with a core processor to get the lowest transaction pricing.

Independent Sales Organizations (ISOs): C&L Enterprise Plus currently has ISOs setting up in South Florida and expects to expand nationwide. The company's innovative product and marketing strategies will attract corporate brands to begin their own debit card programs. In addition, many retail outlets will have the ability to brand their own card for instant issue.

Marketing: C&L Enterprise Plus has strong relationships with CPA's, tax preparers, retailers, strategic partners and alliances that will enable the company to enter the market effectively and at a faster pace.

Management: Our management team has been strategically selected for the markets we are targeting. Our Board of Directors also has extensive experience in banking, law, the international market, administration and marketing skills, which has brought products and services successfully to the worldwide consumer.

Proprietary Software: C&L Enterprise Plus will be offering prepaid stored value cards programs with Open-Loop Management Card Program (MCP) that will empower our cardholders and keep retention by the ease of use and the unique online features.

Vertical Markets: Multi-use C&L cards are key in keeping our competitive edge and the retention of cardholders. As companies acquire card programs for payment services they will depend more on the card and its benefits.

Cost Effective: The costs associated with postpaid accounts and traditional credit cards are much higher than C&L cards. With a credit account charges must be accumulated during the month, a statement created and mailed to the cardholder and a payment subsequently processed. Postpaid accounts also involve bad debt and fraud.

Accountability: With C&L cardholder accounts, the standard procedure is to provide online accounting or transaction information that can be accessed via an interactive voice response system (IVR). If a customer wants a hard copy statement they will pay a fee for the service. Since users put money on the card before they spend it - the collection and payment steps are eliminated. Administrative costs for prepaid accounts can be as much as 75 percent less than the costs for postpaid accounts.

Transaction Fees: Transaction processing fees paid by the merchant also are lower. C&L cards are also PIN-based and those transaction fees can be as low as 30 percent of signature-based transactions, although C&L cards also offers signature for convenience.

No Overdraft or Late Fees: People who have problems managing a credit account are exposed to the risk of paying additional fees such as over-limit charges and late charges. These charges range from \$25 to \$35 for each month a payment is late or the balance due is over-limit. Since people are using their own money with debit cards there are no penalties.

Merchant Processing: C&L Enterprise Plus offers Open-Loop card programs, which are processed via signature based, PIN based, internet based and phone transactions. Interchange will also open-up another revenue avenue.

Customer Support: A highly knowledgeable support team is available around the clock to address card managers' questions and issues.

Security: Security is a top priority for C&L Enterprise Plus. The platform running C&L cards employs the most sophisticated encryption algorithms and collusion detection methods available. Security is also a top concern in our day-to-day operations, where managers regularly review and update security methods and procedures. As a result, C&L Enterprise Plus will have one of the lowest fraud and chargeback rates in the industry.

### **Barriers to Entry for New Competitors**

Early entrants into the online payment and prepaid debit industry had a natural “green field” advantage. In the case of payments and card issuing, it was just forming and there were no established regulations to get into the market. This situation no longer exists. First, while the prepaid market is far from mature, its rapid growth and the success of early entrants have already created formidable barriers to entry.

Cardholders now have very high expectations prepaid card benefits and the functionality of the card. It would be very expensive for a new entrant, with all the features and functionality now found on the C&L Enterprise Plus platform.

Second, it would be very expensive for a new entrant to enter in the market. Key marketing relationships and banking partnerships have already formed and new competitors would have to buy their way in.

With these large financial barriers to entry a new competitor will need very deep pockets. And if a company possessed such financial strength a more likely entry strategy would be to buy, not build. This may signal the start of such a trend one that could be very favorable to investors in C&L Enterprise Plus.

## MARKETING PLAN

C&L Enterprise Plus must not only offer a superior product, we must also be very effective in promoting it. The company's marketing program focuses on three key objectives: 1) attracting cardholders/companies to our prepaid products and services (acquisition), 2) motivating them to use more products or services (conversion) and 3) keeping them active on the card/ programs (retention).

### Client Acquisition

Consumers and companies learn about C&L Enterprise Plus from on and offline advertising and through several types of partnership programs.

1. Offline Advertising: Print, event and tradeshow will be productive in attracting new companies to C&L Enterprise Plus.

Print: C&L Enterprise Plus will advertise in B2C/B2B targeted publications serving the target markets.

Event: C&L Enterprise Plus will participate as sponsor, advertiser and/or promoting partner of such events that will elevate the awareness such as payment tradeshow and expos.

C&L Enterprise Plus will carefully track the performance of each on and offline advertising initiative and measures cost per acquisition (CPA) and return on investment (ROI). Based on the results, the C&L Enterprise Plus advertising programs will be constantly fine-tuned.

2. Distributorships: Distributors are companies or individuals that wish to acquire the rights to sell co-branded C&L programs, which are completed and come with a very attractive commission structure.

3. Strategic Partnerships: The strategic partnership program is similar to the affiliate program but with a key difference—in a partnership the two organizations have synergies that can be leveraged to produce value beyond that obtained from a simple referral agreement. By affiliation with these and other name-recognized organizations in the future, C&L Enterprise Plus gains credibility in the market and increases the power, reach and exposure of its brand.

4. Online Advertising: C&L online payment & prepaid programs target market is comprised of savvy businesses which makes online advertising a crucial part of the marketing program. The company uses the following vehicles:

Search Engines: Internet users rely on search engines like Google and Yahoo to find the products and services they want. When they enter key words or search

phrases such as “prepaid debit” or “Prepaid credit card,” by adding these key words to the search they receive a CLCard.com result relevant to those terms. C&L Enterprise Plus ensures that the company’s website appears high on ranking of this list using the following techniques:

- Managing the technical aspects of the site (“optimizing”) so that search engines can easily catalog the pages and associate a high degree of relevance between the key words and the C&L Enterprise Plus™ payment program website.
- Monitoring the usage of key words by Internet surfers and tweaking the website to maintain a high listing.
- Purchasing paid listings on the top search engines. Google and others sell ads associated with key words. C&L Enterprise Plus “buys” the key words most commonly used when searching for \$ prepaid debit card program options, so that a link to CLCard.com appears when someone searches the word / phrase. The company pays for these ads on a “click through” basis, meaning that they pay only when someone clicks on the link and comes to the CLCard.com site.

Portals: There are several large prepaid related “portal” sites on the Internet. These websites provide information about local savings and links to other websites where businesses can go get valuable information. C&L Enterprise Plus will establish affiliate agreements or negotiated advertising contracts with many of these portals.

Forums: Many consumers spend time online visiting websites that provide a way for people to chat about local savings and discuss the best options. These forums are important sources of consumers, and so the company monitors their chat activity and places advertisements on the appropriate websites.

5. Affiliate Marketing: Affiliates are operators of websites with content relevant to local savings, unbanked, un-credited, discounts, coupons, etc. C&L Enterprise Plus will have promotion agreements with many of these operators. Banner ads appear for C&L™, along with editorial comment, reviews and links to the site. When someone “clicks-through” from an affiliate website and gets a C&L™ card then the company pays the affiliate a percentage of the revenue generated. Affiliate programs are very cost-effective because cardholder acquisition costs are purely variable. In addition, the affiliate program improves C&L™ performance with search engines due to the multiple mentions of C&L™ on their websites.

6. Testimonials: Word of mouth and referrals from current C&L Enterprise Plus clients are the most cost effective way to acquire new customers. C&L Enterprise Plus has a list of clients, which are willing to give superb referrals and testimonials as to C&L Enterprise Plus ’s credibility.

## Client Conversion

Clients who applied for C&L Enterprise Plus programs often are unfamiliar with the program or functionality of the C&L Enterprise Plus™ platform or the C&L™ card. To help them past this hurdle, C&L Enterprise Plus supports the client or distributor. Clients can immediately start testing card's functionality such as POS or ATM - the most familiar part of using a prepaid debit card. C&L Enterprise Plus derives revenue from online functions but it is important to move them into other functions such as card revenue as quickly as possible. The company executes four strategies that in concert motivate clients to seek additional functions of the card program and its other prepaid services that are easily activated and integrated into the C&L Enterprise Plus™ platform.

1. Build Client Confidence: Program managers must trust the program and believe the legitimacy of the organization behind the program. C&L Enterprise Plus begins the trust-building process by clearly stating to clients what its role is - provide a versatile and robust card program, have no hidden fees, and make information easily available. The client support group picks it up from there.

At any time, clients can communicate with a “real” person who represents C&L Enterprise Plus. If they have questions or concerns about an order or the program, a customer service agent is available by phone during normal business hours.

For other inquires clients can email customer support and receive a response within minutes or hours and soon telephone support will be available for these queries. This level of support is unique in the industry and designed to build client confidence in C&L Enterprise Plus and C&L Card.

2. Provide Added-Value: C&L Enterprise Plus offers a broad selection of services and products which give clients added value. Clients can at any time simply call the 800 number provided or go to the website and inquire about all added value services and products

3. Offer Attractive Promotions: C&L Enterprise Plus offers clients savings and services such as added rewards, mobile banking or other applications to help the program with promotions.

4. Personal Client Manager: New prospects receive a welcome email and/or telephone call from a C&L Enterprise Plus support representative. The Rep introduces themselves as the clients' personal relations manager and offers to answer questions or help with problems. The Rep might also extend a special offer of some kind to induce the client to try a test card or other services offered.

## Client Retention

The difference between success and failure in the payment solution industry revolves around consumer's loyalty. New clients must have a reason to constantly keep investing in their C&L Card account.

1. Focus on Client Satisfaction: Giving customers a reason to stay with C&L Card™ is half the retention solution - the other half is *not* giving them a reason to leave. C&L Enterprise Plus programs strive to maximize the level of service provided to clients in areas that matter most to them - key elements of the client satisfaction program include:

- Approval Process: receive applications and due diligence paperwork effectively from clients looking to be sponsored by C&L Enterprise Plus.
- Friendly Customer Service: C&L Enterprise Plus hires friendly, educated customer service representatives who answer questions and resolve problems promptly and courteously.
- Air of Exclusivity: C&L Enterprise Plus provides recognition and offers special privileges to the most active and loyal clients.
- Newsletters: Clients receive a well-written and informative newsletter each month via email or postal mail. This publication gives the company a way to keep clients informed of industry news, extend promotional offers and motivate less performing programs.

These programs will establish C&L Enterprise Plus and its C&L Card™ brand, as the recognized industry leader in quality service and client satisfaction.

2. Calling Program: If a prospect has been “inactive” for a certain number of days, a retention team initiates contact with the prospect through a series of emails and direct calls. Team members attempt to address any specific issues or concerns the prospect might have and encourage them to further explore the opportunities further.

When reached by phone inactive prospects will cite the reason why they have not communicated or decided against the program. The customer support staff logs this information and uses it to further refine customer satisfaction, our product offerings and retention programs.

## Summary of Marketing Initiatives

Initiative	Acquisition	Conversion	Retention
Online Advertising	√		
Offline Advertising	√		
Affiliate Program	√		
Strategic Partnerships	√		
Client Testimonials	√		√
Friendly, Superior Customer Service		√	√
Personal Client Mgr		√	√
Multiple Options for Prepaid Plans	√	√	√
Missing Client Calls			√

## ISOs, Agents and Retailers

C&L Enterprise Plus primary online & C&L card programs are offered to Independent Sales Organizations (ISOs) and financial services agents looking for a payment solution or to resell our product & services. Retailers will also be clients through our loyalty programs.

C&L Enterprise Plus, Inc begins operations in 2017.

## Responsibilities to Clients/Agents/ ISOs (Tax preparers & Accountants)

C&L Enterprise Plus shall provide the following:

1. All necessary technology and infrastructure to support the provision of the service, operating center and data storage facilities and other contractual arrangements necessary to implement C&L Enterprise Plus products and services.
2. Mechanical art for sales brochures and other promotional materials as C&L Enterprise Plus, in its reasonable discretion deem appropriate.
3. Web-based transactional and support documentation and materials relating to the service.
4. Technical, pricing, marketing and Tier 2 customer support as C&L Enterprise Plus, in its reasonable business judgment deems appropriate.

5. Administrative and operational staff and offices, together with related infrastructure sufficient to enable C&L Enterprise Plus to implement the service.
6. During the term of the agreement, C&L Enterprise Plus will maintained General Liability coverage with respect to its employees and representatives of up to one million (\$1,000,000) per occurrence.
7. A web based reporting capability with secure access for each of client's accounts.

### **Sales and Marketing of Distributorships and Retail Locations**

The company intends to market its service line (products), through distributors, agents and direct to consumers in non-assigned territories. The Company will focus on distributors and agents as primary channels of distribution for its products with local retail and Internet distribution channels to follow. To help further its sales and marketing objectives the Company has enlist the aid of an advertisement firm with experience in the prepaid marketing for similar oriented companies.

## PRICING & REVENUE MODEL

### Quick-Launch - General Purpose Reloadable Prepaid Visa™/ MasterCard™

- Pre-existing C&L™ Design & Brand
- Pre-existing cardholder fees
- Brands: (C&L™)

### One-time Implementation, Consulting, Compliance, and Execution fee due upon submission of application

\$TBD

Additional sub-programs (e.g., Payroll)

\$ TBD

Card Fee Descriptions	Program Buy Rate	Retail Rate
One-time activation fee	\$1.50	\$2.50
Cardholder Monthly Fee (per month)	\$1.95	\$3.95
Reload Fee (each) Retail Locations	N/A	\$3.95
Direct Deposit (Payroll Direct) Fee (each)	TBD	
Transfer from Bank Account to Card (web-based)	\$0.75	\$1.00
Transaction Fee POS PIN based	\$0.00	\$0.00
Transaction Fee POS PIN (Denial) (each)	\$0.00	\$0.00
ATM Fee (\$)	\$1.25	\$1.50
ATM (International – Non-\$)	\$3.00	\$3.50
Card to Card Transfer Fee (each)	\$1.00	\$1.50

The difference between the “Program Buy Rate” and the “Retail Rate” is the commission paid to ISO’s (e.g. tax preparers & accountants).

#### Quick Launch Commission Break-Down

<b>One-time activation fee</b>	<b>\$1.00</b>
<b>Cardholder Monthly Fee</b>	<b>\$2.00</b>
<b>Online Loading</b>	<b>\$0.25</b>
<b>POS (Point of Sale)</b>	<b>\$0.00</b>
<b>ATM (\$)</b>	<b>\$0.25</b>
<b>ATM (Intl)</b>	<b>\$0.50</b>

## Customized Co-Branded

### General Purpose Reloadable Prepaid MasterCard™ or ATM Cash Card (Cirrus / Maestro / Pulse)

- Brand Your Own Design (YOUR COMPANY NAME)
- Set Your Own Cardholder Fees (restrictions apply)
- FREE online “payout/payroll” loading

The difference between the “Program Buy Rate” and the “Your Sell Rate” (below) is the Clients Profit Margin for the Customized program. Below is the STANDARD RATES offered.

Note: If your program requires specific pricing due to the application or competition we will work through the pricing model.

### One time Implementation, Packaging, Consulting, Compliance, Execution fee:

\$TBD

Additional sub-programs (e.g., Payroll)

\$TBD

Card Fees Descriptions	Program Buy Rate	Client's Sell Rate
One-time activation fee	\$1.50	TBD
Cardholder Monthly Fee (per month)	\$1.95	TBD
Reload Fee (each) \$n Retail Locations	N/A	
Direct Deposit (Payroll Direct) Fee (each)	TBD	TBD
Transfer from Bank Account to Card (web-based)	\$0.75	TBD
Transaction Fee POS PIN based	\$0.00	TBD
Transaction Fee POS PIN (Denial) (each)	\$0.00	TBD
ATM Fee (\$)	\$1.25	TBD
ATM (International – Non-\$)	\$3.00	TBD
Card to Card Transfer Fee (each)	\$1.00	TBD

The difference between the “Program Buy Rate” and the “Client’s Sell Rate” is the client’s profit margin.

## Fulfillment Cost – Reloadable (Visa™ or MasterCard™)

### Program Owners Printing & Fulfillment Visa or MasterCard™

Customized Co-branded (10,000 Card Min)

Quick-Launch Pre-branded (5,000 Card Min)

MasterCard™

Description	Cost
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#### PER CARD FULFILLMENT COST: ORDER

##### 5,000 CARDS

**\$4.60 per card not including postage**

Plastic card/ Mag-stripe/CHIP	\$3.50	
Card Carrier		\$0.05
Envelope		\$0.05
Label (card face)		\$0.15
PIN Generation		\$0.35
Domestic Postage (If mailed to cardholder)		TBD
Personal Name Embossing Fee		\$0.50

#### PER CARD FULFILLMENT COST: ORDER

##### 10,000+ CARDS

**\$3.60 per card not including postage**

Plastic card/ Mag-stripe/CHIP	\$2.50	
Card Carrier		\$0.05
Envelope		\$0.05
Label (card face)		\$0.15
PIN Generation		\$0.35
Domestic Postage (If mailed to cardholder)		TBD
Personal Name Embossing Fee		\$0.50

## Fulfillment Cost – Gift Card (Visa™ or MasterCard™)

### Program Owners Printing & Fulfillment

#### MasterCard™

(10,000 Card Order Minimum)

One-time Set-up Fee is \$2,500

C&L™ MasterCard™ Gift Card

- Maximum \$250 limit for the life of the card
- ATM is disabled  
(MasterCard™ association rules on gift cards)
- POS will allow them to purchase any place accepting MasterCard™, including online
- The Merchants Loading Account (at bank) will NOT be debited until the card is activated and the load amount is submitted by Merchant
- Online loading account, management login, tracking login, etc.

#### Card Cost Breakdown

<u>Quantity</u>	<u>Cost</u>
10,000	\$1.50
25,000	\$1.30
50,000	\$1.25
100,000	\$1.20

## Revenue Model

C&L Enterprise Plus derives its revenue by sharing with its sponsoring clients (ISO's) from the, currency conversion, cardholder fees, cardholder interchange and online transaction fees, remittance fees, voucher sale & redemption fees.

1. \*A general reloadable prepaid card program can generate C&L Enterprise Plus anywhere between \$24-\$27, per card, per month.
2. A general online payment account user can generate C&L Enterprise Plus anywhere between \$10-\$12 per month per online account.
3. A Gift card program can generate approximately \$3 per card per month, with a 3-month life span
4. A Rebate program is based on the processing % of the sales and the processing % of the rebates.

\* 3-year projections are available upon request

## UPPER MANAGEMENT

The C&L Enterprise Plus management team has extensive experience with new product payment development, stored value industry, financial technology, financial compliance, sales and marketing.

**Losaire Bien-Aime,  
Executive Director / President**

Our goal at C&L enterprise Plus Inc. is to use the accounting experience of Mr. Losaire Bien-Aime as an asset to market the Prepaid debit card. As an accounting and a Tax preparer for over two decades, and also someone who conduct seminar for many colleagues, Mr. Losaire Bien-Aime the President of the Company has established a network of over 200 other tax preparers to resale the prepaid debit card to unbanked clients when filing their tax returns

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**Chief Operating Officer**

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**Operations Manager**

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**Chief Technical Officer**

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**Chief Marketing Officer**

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**Chief Compliance Officer**

## **GUIDELINES FOR CARD ISSUANCE AND USAGE FOR C&L ENTERPRISE PLUS:**

### **1.0 Preamble**

C&L ENTERPRISE PLUS has issued guidelines for the maintenance of adequate and reasonable financial services for the public and to ensure high standards of conduct and management throughout the BANK system; the MEMBERS of C&L ENTERPRISE PLUS hereby issues the following Guidelines for the Card Issuance and Usage for the proposed BANK. Program Management guidelines are subject to change by issuing BANK.

### **1.1 Objectives**

- I. These guidelines have been developed to provide minimum standards and requirements for the issuance and usage of payment cards by the BANK that C&L ENTERPRISE PLUS is proposing managing.
- II. It will enable the BANK, processors and cards schemes upgrade and maintain their card operations to ensure optimum security, efficiency, cost effectiveness and customer friendliness
- III. Serve as a tool for the BANK to assess their card issuance portfolio
- IV. Ensure that consumers that carry BANK issued cards operate within acceptable standards
- V. Encourage the use of BANK issued cards locally and internationally

### **1.2 Scope**

I. To the Bank that will participate in the issuance and processing of debit, credit, stored value/prepaid, virtual cards, either directly or through their subsidiaries, affiliated companies or third party associated companies.

### **2.0 Minimum Standards**

All industry stakeholders who process, transmit and/or store cardholder information shall ensure that their terminals, applications and processing infrastructure comply with the minimum requirements of the following Standards and Best Practices. In addition, all terminals, applications and processing infrastructure, should also comply with the standards specified by the various card schemes. Each vendor must provide valid certificates evidencing compliance with these standards, and must regularly review status of all its systems to ensure they are still compliant, as standards change. There will be a continuous review of compliance with these and other global industry standards from time to time.

**2.1 PA DSS –Payment Application Data Security Standard.**

**2.2 PCI PED – Payment Card Industry Pin Entry Device.**

**2.3 PCI DSS – Payment Card Industry Data Security Standard.**

**2.4 Triple DES – Data Encryption Standards should be the benchmark for all data transmitted and authenticated between each party. The triple DES algorithm is the minimum standard.**

**2.5 EMV** – All cards issued and acquiring devices deployed, must comply with the minimum EMV requirements.

### **3.0 General Requirements**

**3.1** Only the BANK with clearing capacity shall issue payment cards to consumers and corporations. Any other 3<sup>rd</sup> party without clearing capacity can issue in conjunction with those with clearing capacity. However, where a partnership exists, the parties shall document service level agreements, delineating their responsibilities for the issuance of the cards. A copy of the Service Level Agreement shall be submitted to the BANK compliance and legal team.

**3.2** the BANK shall seek approval from COMPLIANCE OFFICER for each card brand and type they wish to issue.

**3.3** The payment cards to be issued must be be a “pay now”, such as prepaid, These can be operated in different forms, including, but not limited to: plastic cards; virtual card numbers (VCN), tag, etc.

**3.4** The usage channels, limits and frequencies and other control measures shall be defined by the issuing BANK.

**3.5** The cardholder shall, in agreement with the issuing BANK, have the flexibility to customize the usage limits, select transaction channels and other customizable features, to suit their personal risk preferences.

**3.6** All payment card transactions shall be subject to current BANK US reporting requirements.

**3.7** A cardholder or his/her estate shall, upon request, be entitled to receive a cash refund of the available balance (which belongs to the customer) in the card account from the issuing BANK or institution.

**3.8** Cards may be issued in USD or in any other convertible currency.

**3.9** The international usage limits and frequencies for USD denominated cards shall be defined by each participating BANK. However these limits shall not exceed the total combined amount of Foreign Currency that each individual can access per annum - which is currently \$\_\_\_\_\_ per annum

**3.10** All card programs shall render monthly returns to the C&L ENTERPRISE PLUS on the volume of transactions and gross amount of transactions done internationally using their cards.

**3.11** The program, its agent and card association must maintain an AML/CFT program, reasonably designed within the context of laws and regulations, to prevent the Card Association system from being used to facilitate money laundering or the financing of terrorist activities.

**3.12** An program should have risk-management framework in place that enables it to identify, measure, monitor, and manage the range of risks that arise in or are borne by its operations.

**3.13** In the application of customer fees for services rendered, Programs shall be guided in their operations by the C&L ENTERPRISE PLUS’s “Guide to Bank Charges”. To reduce the burden of card costs to

customers, payment cards must be valid (i.e. shall not expire) for at least 3 years from when the card is issued to the customer.

**3.14** Programs are expected to continuously educate cardholders on the following, amongst other things:

- I. Security tips for safeguarding cardholder information
- II. Costs and charges associated with owning and using a payment card
- III. Contact numbers to the Program's 24/7 contact centre in order to report cardholder issues or problems
- IV. Dispute resolution process across the bank's products and channels

**3.15** Programs shall not levy any charge that was not explicitly indicated to the customer or cardholder.

**3.16** Unsolicited cards should not be issued. Where an unsolicited card is issued and activated without the written consent of the recipient and the latter is billed for the same, or fraudulent activity occurs, the card program shall not only reverse the charges forthwith, but also pay a penalty, without objection to the recipient, amounting to twice the value of the charges reversed.

**3.17** The verifiable consent of a customer shall be required before issuing a payment card or other products offered along with the card. Information to the customer has to be explicit and not implied. The consent may be received physically or electronically.

**3.18** Card programs shall continue to furnish customers or cardholders with details of the contractual terms and conditions, prior to activation. Such terms shall include at a minimum:

- I. Fees and charges;
- II. Withdrawal limits;
- III. Billing cycles;
- IV. Termination procedures; and
- V. Consequences of Default/theft/misuse of cards

**3.19** No card program or its agent shall deliver any card to a customer in a fully-activated state.

**3.20** A card program shall keep internal records over a sufficient period of time, in line with existing C&L ENTERPRISE PLUS guidelines, to enable easy tracking of card-related transactions.

**3.21** The program shall ensure full security of the payment card. The security of the payment card shall be the responsibility of the program and the losses incurred on account of breach of security or failure of the security mechanism shall be borne by the program, except the program establishes security breach on the part of the card holder.

**3.22** Programs should ensure that the process of card issuance is completely separated from the process of PIN issuance, and done in accordance with best practices thus minimizing the risk of compromise.

**3.23** All domestic card transactions must be settled within a cycle of T + 1, while international transactions shall be settled as may be defined and reviewed by the settlement agent.

**3.24** All debit entries arising from failed transactions attributable to system-related issues must be auto-reversed. Where auto reversal is not feasible, manual reversal must be carried out within 24 hours.

## **ROLES AND RESPONSIBILITIES OF CARD PROGRAM MANAGERS**

### **General**

In order for a card to be used abroad, the issuing ISO must have done full KYC on the customer, as reflected in the KYC Manual and Money Laundering (Prohibition) Act.

### **4.0 Objectives**

**4.1** Program Managers shall implement a risk-based approach to setting volume and transaction limits. The risk attached to a customer will be based on KYC due diligence carried out during the customer on-boarding process.

**4.2** Program Managers shall ensure that they understand the respective rules for the acceptance of their cards internationally and shall ensure that they make customers aware of any information that would be necessary in taking a decision on the card to use, when going overseas.

**4.3** Program Managers shall also provide customers with a choice to specify limits for the volume and value of transactions that they would perform; such limits cannot be higher than the maximum limits, as specified in this Guideline.

**4.4** Program Managers shall provide customers with the ability to specify when their cards should work abroad, and when it should not, as well as which countries they would like their cards to work in, at any particular time.

**5.0** It is the responsibility of the issuing ISO to work with the card schemes in providing the settlement and clearing facility for cards used outside Malta.

### **Transaction Processing**

**5.1** Program Managers shall ensure that their card information are hosted and processed within the PCIDSS certified environment.

**5.2** Program Managers shall implement systems that ensure that

Exchange Control and transaction limits are complied with, and Program Managers shall provide monthly reports that demonstrate that this is being complied with.

- 5.3 Card Program Managers must provide authorization services for their card transactions. Where this service is outsourced, the bank shall be responsible for all risk mitigation service efficiency.
- 5.4 An issuer must process a Chargeback for a transaction in accordance with the Card Association Operating Regulations.
- 5.5 An Issuer sending Chargeback documentation must do so within the time period specified in the Card Association Operating Regulations.

## **6.0 Settlement**

- 6.1 Settlement of domestic transactions shall be done within the standards defined by the CBM.
- 6.2 Foreign currency shall be sourced from the autonomous FX market and Issuers shall leverage their foreign exchange licenses to access, buy or transfer foreign exchange to rISOt to international card schemes. Domestic card schemes shall appoint a domestic Settlement bank whom shall leverage its license as a regulated authority to buy and transfer the required volume of foreign exchange to international acquirers.

## **7.0 Fraud and Risk Management**

- 7.1 Program Managers shall establish Board or Executive Management approved AML program/policy that includes:
  - 7.1.1 Assessment of money laundering
  - 7.1.2 Appointment of a Compliance Officer;
  - 7.1.3 Annual Internal Audit/Independent testing of the AML program;
  - 7.1.4 Periodic AML training for employees;
  - 7.1.5 Investigating and filing any reports of suspicious activity required under the Malta law.
- 7.2 Program Managers shall implement processes/reports/alerts to monitor potential instances of money laundering or terrorist financing.
- 7.3 Program Managers shall ensure that they issue cards from only the card schemes that have demonstrable fraud management systems.
- 7.4 Liability shift rules shall apply when Malta issued EMV cards are used fraudulently on EMV compatible terminals where magnetic stripe fallback is enabled, or at non- EMV compatible terminals where the transactions is read as a fully magnetic stripe transaction.
- 7.5 In the event that the acquirer operates in an environment where EMV compatibility is not enforced, the ISO Issuer must set limits, in order to reduce the issuer and the cardholder's exposure.
- 7.6 Program Managers are required to monitor their card production

procedures to ensure that their EMV cards are properly produced. The issuer shall take full liability for any fraud from a fall back transaction that occurred as a result of improperly produced chip cards.

- 7.7** The Card Issuer should implement system validation to detect potentially suspicious transactions. The Card Issuer may refuse to authorise a transaction or allow the Cardholder to make a payment into the card account if:
- 7.7.1** The Cardholder has exceeded an account limit (either aggregate or daily limit)
  - 7.7.2** The transaction seems unusual, compared with the normal Card usage (such as unusual locations and spending patterns)
  - 7.7.3** The Card Issuer reasonably believes that:
    - 7.7.3.1** the Cardholder has used or obtained, or may use or obtain, a service or money illegally or fraudulently
    - 7.7.3.2** A third party may have rights over money in the Cardholder account
    - 7.7.3.3** The transaction originates from a blacklisted merchant, in which case, the Issuer must provide proof of blacklisting to CBM, upon request.
- 7.8** For card not present transactions, the minimum of 2nd level authentication for internet based transactions is mandatory.
- 7.9** Program Managers are expected to deploy robust fraud monitoring tools that have the capacity to monitor customer transaction trends, real-time operations and option of blocking suspicious transactions.
- 7.10** Any trapped card in the ATM shall be rendered unusable (by perforation) by the Acquirer and returned to the Issuer on the next working day.

## **8.0 Specific Requirements for Stored Value Cards (Individual and Corporate)**

- 8.1** No stored value card shall be issued to a person without obtaining the minimum KYC.
- 8.2** The maximum amount that can be loaded on the stored value card shall not exceed 2500 EU per day.
- 8.3** The fee for loading salary payments unto a payment card shall be paid separately by the salary payer and not deducted from the balance value of the stored value card.
- 8.4** The maximum balance on the stored value card shall not exceed 10,000 EU at any time.
- 8.5** The limits specified for stored value cards shall also apply to cards linked to mobile money wallets, where least KYC (Phone Number and Name) has been performed on the mobile money customer.
- 8.6** Program Managers can offer stored value products, but not limited to

the following segments:

- 8.6.1** The Cardholder has exceeded an account limit (either aggregate or daily limit)
- 8.6.2** Consumers: General Purpose Reloadable (GPR), Travel, Student, loyalty/reward and On-line
- 8.6.3** Corporations: Payroll, Incentives, Per Diem, Corporate Travel and Healthcare iii.
- 8.6.4** Public Sector: Social Benefits, Payroll, Procurement, Meal Vouchers, Disaster Relief

## **9.0 Specific Requirements for Prepaid Cards (Individual and Corporate)**

- 9.1** Prepaid cards issued will operate at least within the minimum KYC requirements prescribed by the CBM. However, loadable limits (in EURO and Foreign currency) and daily balances shall be determined by the issuing ISO, C&L Enterprise Plus .
- 9.2** No prepaid card shall be issued beyond the limits of a stored value card to a person or a corporate organization. Where a customer desires to do transactions beyond the limits prescribed above, full KYC would be required. Please, refer to CBM KYC Manual and Money Laundering (Prohibition).
- 9.3** The maximum withdrawal and spending limits for the Prepaid Cards will be determined by the issuing ISO, C&L Enterprise Plus .
- 9.4** The limits specified for Prepaid Cards shall also apply to cards linked to mobile money wallets, where full KYC has been performed on the mobile money customer.

## **10.0 Dispute Resolution - Domestic Transactions**

- 10.1** Where a customer has a dispute to resolve, the customer shall report it to the Issuer. The Issuer, working with the respective Card Scheme shall ensure that disputes are resolved within internationally acceptable timeframes for disputed international transactions. The timeline for the resolution of domestic transaction disputes shall be T+2, commencing from the date of the transaction. The Acquirer shall initiate the resolution, even without the prompting of the issuing ISO.

## **11.0 International Transactions**

- 11.1** The timeline for dispute resolution for international transactions shall be as specified by the card scheme.

## **12.0 Submission of Statutory Returns**

- 12.1** Program Managers shall, at the end of every month, and not later than the 10th day of the next month, submit data and other information

on card transactions to the CBM. The following are the minimum information that must be included in the Returns:

- 12.1.1** Type, value and volume of transactions, on a monthly basis.
- 12.1.2** Separation of the type, value and volume by transaction type, card type (by card scheme and by debit, credit, charge, stored value and prepaid card), channel (internet, POS, ATM), local and foreign transactions.
- 12.1.3** Incidents of fraud, theft or robbery on cards, card data, etc.
- 12.1.4** Reports of foreign exchange rISOtted to international card schemes and international acquirers, respectively
- 12.1.5** Type and number of customers' complaints and remedial measures taken
- 12.1.6** This reporting format may be changed from time to time, as specified by the CBM.

### **13.0 Annual Reporting**

- 13.1** Card Program Managers shall include in its annual reports and accounts, all activities of its card operations.

### **14.0 Definition of Terms**

- 14.1** ATM - Automated Teller Machine
- 14.2** AML/CFT - Anti-Money Laundering/Combating the Financing of Terrorism
- 14.3** CBM - Central Bank of Malta (also referred to as the Bank) d) Banks - Commercial, specialized, merchant and other licensed financial Providers
- 14.4** EMV (Europay, MasterCard, Visa) - The global standard that ensures smart (Chip-and-PIN) cards, terminals and other systems can interoperate. e) Stored-value cards - Payment cards where money is on deposit with the issuer, but the card account is not linked to a current or savings account. Funds and data on a stored value card are metaphorically 'physically' stored on the card. Stored value cards are usually anonymous in nature and issued outside of banking halls.
- 14.5** Prepaid cards - Payment cards where money is on deposit with the issuer, but the card account is not linked to a current or savings account. Funds and data are maintained on computer systems affiliated with the issuer.
- 14.6** Payment Cards - are cards issued by a CBM licensed issuer to cardholders (individuals or corporates) and accepted at terminals (ATMs, POS, Web, Mobile, Kiosks etc.) to make payments, purchases or withdrawals. Payment Cards shall be governed by CBM rules and shall comply with the rules of the applicable domestic or international Card Scheme. Closed Scheme cards (cards issued by a merchant or Provider that can only be used within that merchant or Provider) are not Payment Cards.
- 14.7** PIN - Personal Identification Number

<b>14.8</b>	VCN -	Virtual Card Numbers
<b>14.9</b>	FIU -	Financial Intelligence Unit
<b>14.10</b>	DIC –	Deposit Insurance Corporation
<b>14.11</b>	BTA –	Business Travel Allowance
<b>14.12</b>	PTA –	Personal Travel Allowance
<b>14.13</b>	KYC –	Know Your Customer
<b>14.14</b>	FX-	Foreign Exchange
<b>14.15</b>	GPR –	General Purpose Reloadable
<b>14.16</b>	PoS -	Point-of-Sale

## **APPENDICES**

## Appendix 1: Projected Use of Current Capital

Management believes the opportunity exists for capitalization funds being spent on providing payment solutions to the under-banked & under-served in the U.S., starting in South Florida and acquiring new market share while simultaneously driving down the cost per online and card account acquisition and cardholder user. The rapid growth rate the prepaid payment industry is experiencing and the low percent of current market saturation in C&L's niche, both support management's feelings that an infusion of capital in marketing over the next 24 months will produce very high returns on investment.

A majority of the current round will be used for acquiring new market share. C&L Enterprise Plus will target the business-to-consumer and business-to-business market for co-branding, loyalty, financial services and other related services. C&L Enterprise Plus will use the same marketing strategy that has been successful in promoting online accounts and prepaid cards in new marketplaces.

Another major reason management believes this to be the ideal time for such a marketing investment is the idea of critical mass. With the business and revenue model in place, management is now convinced that the time is right for a major marketing push. Test marketing results have shown positive and increasing conversion rates thus producing the ideal time for an investment in the marketing budget.

The remaining capital will be used for infrastructure development necessary to support future growth, as well as human resource expansion and general corporate expansions. A portion of the funds will also be held in cash reserves to support the high level of expected growth. After 2 years of research and development, management feels the opportunity is right to increase the marketing budget and its quest for a larger portion of the rapidly expanding prepaid issuing and the stored value market.