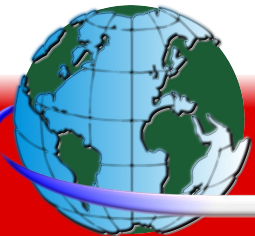


INTRODUCING THE TOKEN



PAY **THAT** WAY

ANY CARD • ANY PHONE • ANYWHERE

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THE PROBLEM

No universally compatible and secure mobile card swipe reader is available.

BUY NEW
PHONES FOR MY
MOBILE
CASHIERS?

NEW 2YR
CONTRACTS???



REPLACEMENT
COSTS??

LARGE SIZE!!

UPGRADES??



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INTRODUCING THE TOKEN



* OVER 3000
SUPPORTED
BLUETOOTH®
PHONES

* NO DATAPLAN
REQUIRED



* FITS ON
KEYCHAIN
* DURABLE

* CUSTOM
LOGOS AND
COLORS

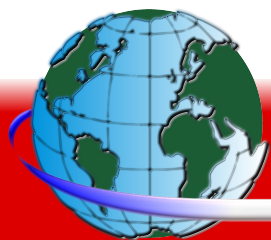
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SIMPLE TO USE

- 1) Pair a Token to your phone
- 2) Swipe the customer's card through the Token
- 3) Follow the prompts to enter and confirm the amount and enter optional tip, customer's phone or zip code
- 4) Listen for cash register sound telling you the payment was successful
- 5) Optional receipt is sent via SMS / text message

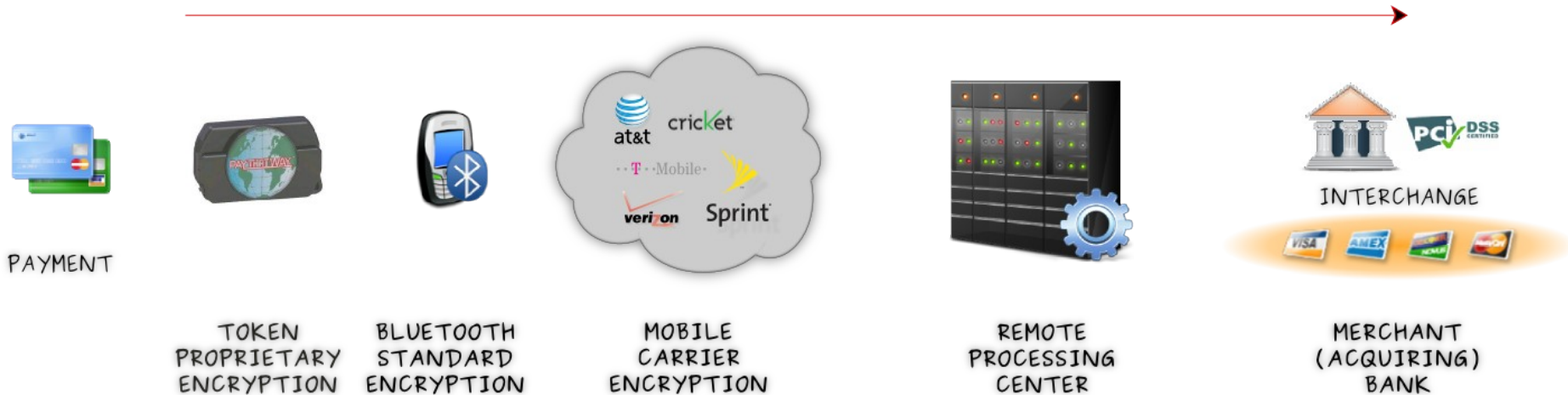


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PAY **THAT** WAY PAYMENT FLOW



Mobile Device Capabilities	%	#
Bluetooth®	75%	219M
Text Messaging	65%	190M
Browser	27%	78M
App download	18%	53M
Smart Phone	14%	41M
Social Networks	14%	40M
Music	12%	34M

ENCRYPTION
THROUGHOUT

ALL DATA IS
STORED AT THE
BANK

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INTEGRATION POINTS



- My Account
- Q Payments
- QuickBooks
-  **Bluetooth™**
- SMS / MMS
- Web / Native App



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TRACTION

PHASE I: Proof of concept

COMPLETED: 2010 Q4

PHASE II: Product Validation

COMPLETED: 2011 Q1

PHASE III: Market Validation
Q4 2011

PHASE IV: Market Penetration
Q1 2012



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PHASE I: Proof of Concept

Completed Prototype

Major supply chain
components

RPC and phone lines
installed and tested

Provisional patent and
trademark application

Authorize.net
integration

Website / CMS



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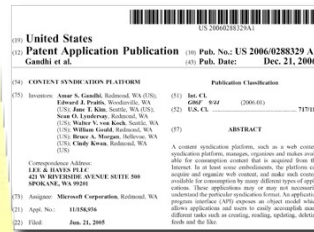
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PHASE II: Validation/Research

* Utility Patent
application filing
2010-12-12

* Strategic
Partnerships

* Sign-up/Packaging



Tech Upgrades:

- * encryption
- * Token speaker / software
- * Add'l phone lines
- * Remote Processing Center

Integrations:

Elavon

iTransact

goMerchant

FDMS

Monetra

gotMerchant

go  merchant


Elavon

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PHASE III AND BEYOND



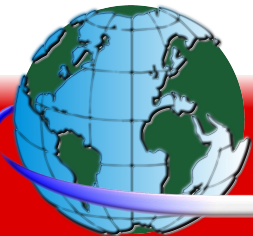
- Market Validation in Beta Test with 2500+ Tokens
 - Strategic customers / partners
 - Merchant Bank Acquirers
 - ISO/ Aggregators
 - Mobile Payment Providers
 - Wireless Carriers
- Scale up Service with selected strategic partners and customers 50k to 250k users by 2012, 1 million to 5 million within 4 years.



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MARKET SIZE



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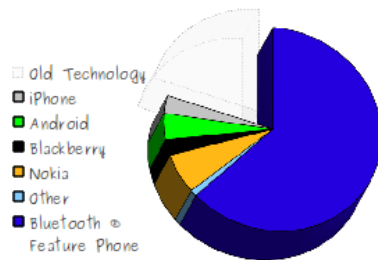
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U.S. MOBILE PAYMENTS



2010: \$162B

2014: \$984B



Source: Yankee Group, 2010 Study

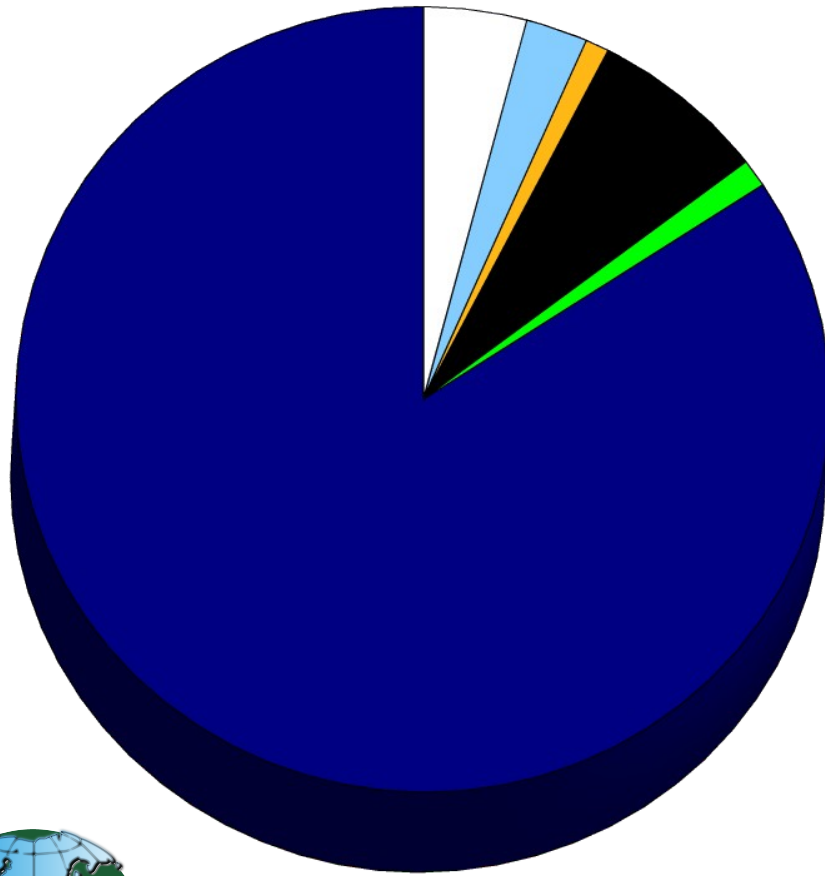


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COMPATIBLE WITH 75% OF ALL PHONES



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219,000,000 PHONES

Universal compatibility
allows anyone to use the
service.

<u>Device Breakout</u>	<u>%</u>	<u>M</u>
Bluetooth® Feature Phone	75%	219M
Non-Bluetooth® Phones	25%	73M
Android	1%	3M
Blackberry	6%	12M
Palm	1%	2M
Microsoft	2%	6M
iPhone	4%	11M

Currently 75% of the
mobile payments market
is NOT served



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U.S. ACQUIRERS

Chase Paymentech	\$566,899,000	23.80%
First Data	\$293,175,000	12.30%
BA Merchant Services	\$283,086,000	11.82%
Elavon	\$181,065,000	7.56%
Fifth Third Bank	\$164,912,000	6.90%
City Merchant Services	\$120,818,000	4.30%
Global Payments	\$92,679,000	3.89%
Wells Fargo	\$90,841,000	3.81%
Heartland Payments	\$74,684,000	3.13%
First National Merchant Solutions	\$51,384,000	2.15%
Top 10 Acquirers	\$1,902,547,000	79.66%
Top 50 Acquirers	\$2,323,874,000	97.65%
All Bankcards	\$2,379,846,000	100.00%

SLIGHTLY
OUT-OF DATE
INFORMATION

TSGI Top 120 US
Acquirer Analysis
Report August '09

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TARGET MARKETS



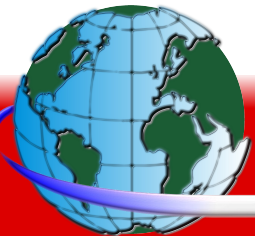
- Network marketing
 - _ Scentsy, Melaluca, Mary Kay, Swans...
- Food service / delivery
 - _ Pay at the table
 - _ Pizza, Chinese, Mobile catering
- Taxis, Limousine, Bus, Charter boat
- On-site services
 - _ Pest control, Landscape, Carpet cleaners, Roadside assistance
- Flea Market, Tradeshow
- The list goes on...



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BUSINESS MODEL



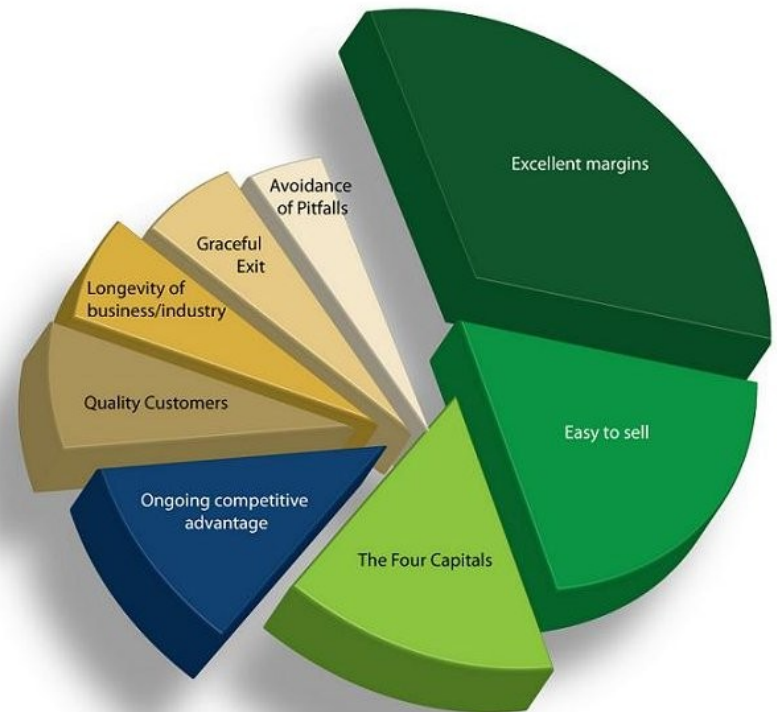
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REVENUE

Wholesale Tokens \$50-\$200 each

- Monthly service fee
 - \$5-\$10
- Transaction fee
 - Bank fees
 - \$0.05 - \$0.10
- Affiliates
 - \$50 per sign-up



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STRATEGIC PARTNERS

- Affiliate Program: \$50 for referring a new PAYTHATWAY merchant
- Wireless Carriers: T-Mobile, Verizon, AT&T, Sprint, Rogers W&C
- Acquiring Banks:
 - _ First Data
 - _ Global Payments
 - _ Chase Paymentech
 - _ Bank of America
 - _ Fifth Third Bank
 - _ Elavon (US Bancorp.)
 - _ Heartland
- Large ISO partners:
 - _ GoEmerchant
 - _ NXGEN
- Retail outlets: Office supply chains, wireless dealers
- Aggregation / Underwriting partner: Western Union, Square, PayPal
- Existing mobile providers: Intuit, Square, RoamData, VeriFone



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EXISTING PARTNERS



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Elavon



VirtualMerchant



Integrated Feb, '11

- Subsidiary of U.S. Bankcorp (B of A)
- One million+ clients
 - \$181 Billion in Transaction volume
 - 7.7% market share
- #1 Airline Processor
- #2 Hospitality Processor
- #4 U.S. Merchant Acquirer
- #6 European Acquirer
- Channel partners include
 - ISO's, /MSP's/PSP's
 - Financial Trade Institutions
 - Trade Associations
 - Commercial Sales Partners
 - Costco, Walmart

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go **e**merchant



Integrated Sep. '10

- ✓ No contracts
- ✓ New merchant sign-up
- ✓ 4000+ ISO customers
- ✓ Reseller program



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Authorize.net



Integrated Feb. '10

- ✓ AIM CP Integration
- ✓ Resellers
- ✓ New accounts
- ✓ Gateway

VISA

AMERICAN
EXPRESS



DISCOVER
NETWORK



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MONETRA®

Certified with all major payment processors:

- ✓ TSYS
- ✓ First Data
- ✓ Global Payments
- ✓ Fifth Third Bank
- ✓ Chase/Paycom
- ✓ as well as others



Validated to meet PCI/PA-DSS requirements

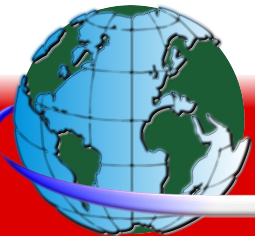


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COMPETING SOLUTIONS



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FOUR TYPES

- Brick and Mortar (Retail)
 - _ Traditional land line credit card terminals
 - _ IP terminals
- Card-Not-Present
 - _ Voice authorization
 - _ Typed into app
 - _ eCommerce
- Dedicated wireless terminals
 - _ Ingenico, VeriFone
- Smart Phones with “dongle” credit card readers and software apps



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CARD-NOT-PRESENT



- x Manual Entry
- x Phone authorization
- x eCommerce
- x Mail order
- x Virtual Terminal
- x HIGH RISK POTENTIAL
- x EXPENSIVE



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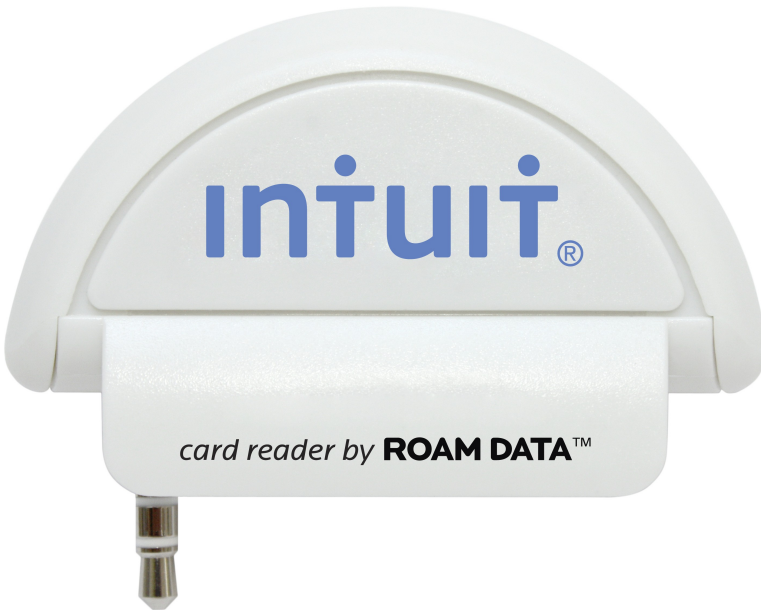
ROAMpay offers a card swipe device that plugs into smart phones through the headphone jack

Limited phone support, requires app, download and data-plan

Supported Platforms

FDMS/CHASE/GLOBAL

Private labeled through various ISO's and Intuit GoPayment



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intuit® GoPayment

	<u>Low-Volume Plan</u> < \$1,000 /month	<u>High-Volume Plan</u> > \$1,000 / month
<u>Monthly Service</u>	\$0 /month	\$12.95 /month
<u>Swipe Rate</u>	2.7%	1.7%
<u>Keyed Rate</u>	3.7%	2.7%
<u>Transaction Fee</u>	\$0.153	\$0.304

Limitations

- Swipe only works on the iPhone
 - Mophie and ROAMpay
- Requires a data plan and download
- Must sign up with Quickbooks Merchant Services



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Business Model

- Free cube-shaped device that plugs into the headphone jack
- Works on iPhone, Android

Rates

- 2.75% for swiped transactions
- 3.5% for keyed transactions

Funds exceeding \$1,000 within a 7 day period will held for 30 days



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Brief History

Announced Dec. 12, '09

VC Funding

\$37.5M - Total

\$10M - Q1 '10

\$27.5M - Q1 '11

Rejected \$200M offer from
Google in Q4 '10

Strategic Board Members

Market Penetration

- \$1M/day
 - 100K signups on limited platform.
- 6% or 13.1M handsets
 - iPhone 5% or 11M handsets
 - Android 1% or 2.1M handsets



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SQUARE - PAYTHATWAY MARKET COMPARISON



Square's market is currently 1/16th the size of PAYTHATWAY

Square could integrate as a processor and open up the rest of the market to it's services

The Token supports Square's "for the masses image"



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VeriFone®

T H E W A Y T O P A Y™



PAYware Mobile

Sleeve that fits iPhones

Costs:

- \$149.95 equipment included w/ 2 year contract
- \$49 Sign up fee
- \$15-\$30 per month fee
- \$0.17 per transaction fee

Limitations:

- iPhone only
- Data-plan and download required
- Limited processor support



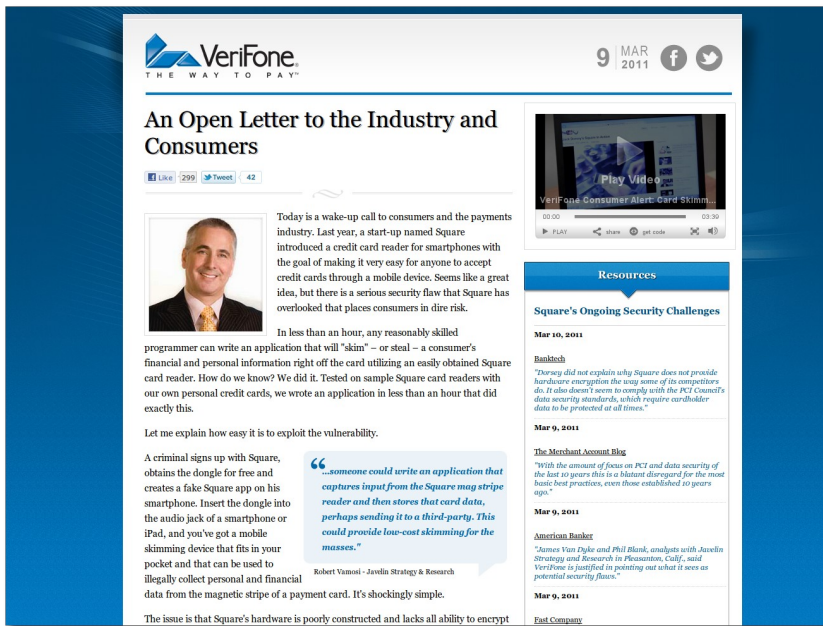
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sq-skim.com

VeriFone takes a swipe at Square with a video and open letter claiming the free dongle they provide is irresponsible, and easily can be put to use as a card skimming device.

Square has VeriFone very worried.

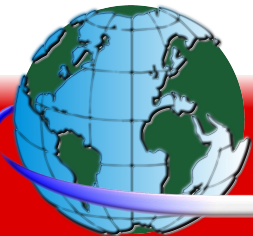


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ORGANIZATION



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INSERT BIO'S

BIO's

BIO's

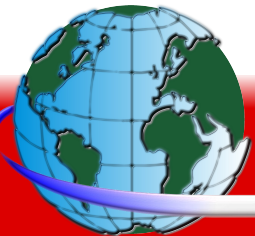


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ACTING ADVISORY BOARD

- P. SUTHERLAND - CHAIRMAN
- R. MALLOY
- D. MICKELSON
- P. HAMILTON
- S. BRODER
- B. LAVASSAR
- D. DURLIN

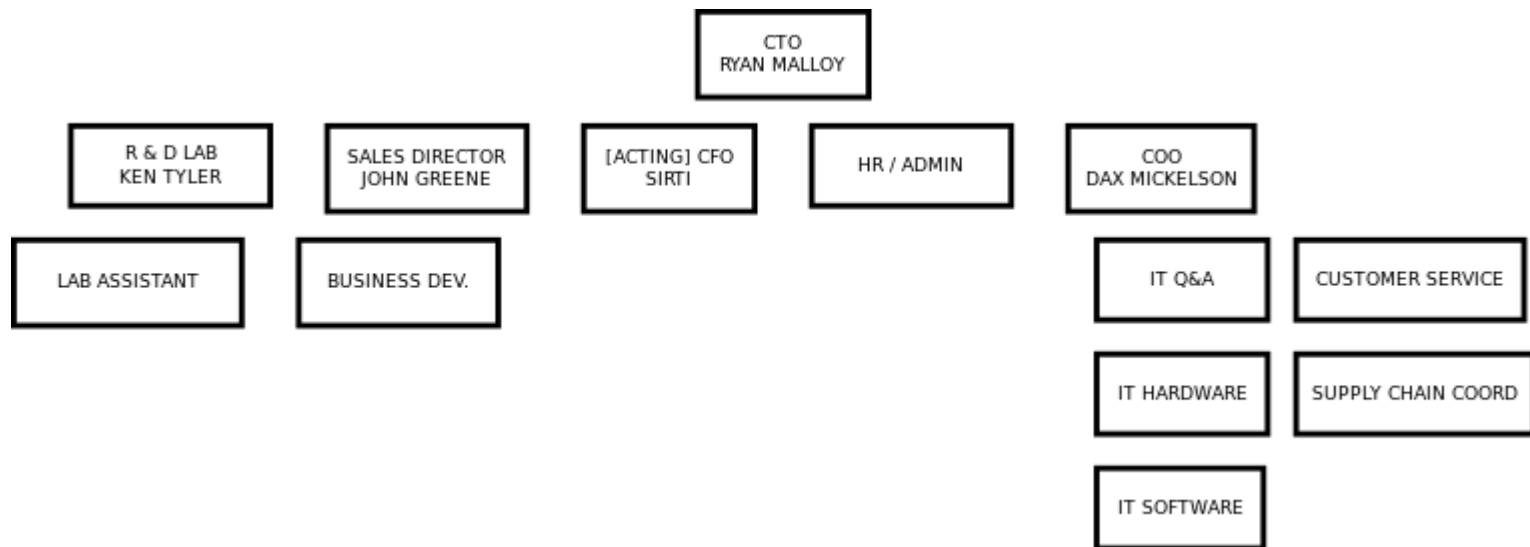


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ORGINIZATIONAL CHART



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R. MALLOY 2011-03-20
info@paythatway.com
(888) - PAY - 7170

Supported Systems 

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