

Harland Clarke Hassle-Free Automated Account Switching Webcast**04/09/2015****TRANSCRIPT****Presenter – Cale Johnston, President & CEO, ClickSWITCH****Presenter – Erik Kelley, Sr. Product Manager, Harland Clarke**

Speaker: Good day every one and welcome to the Harland Clarke hassle free automated account switching webcast. Today's webcast is being recorded. Now at this time I will like to turn the call over to Mr. Erik Kelley, please go ahead sir.

Erik: Thank you very much, and I want to thank all of our attendees today for joining us on this webcast. A few housekeeping tips before we get started, I want to let everybody know that all of the attendees today will be receiving a link to the recording of this webcast, a copy of the presentation, and a copy of all of the questions and answers that have been submitted to us during this webcast. We'd like to ask all participants to direct any questions you have via the chat function to all panelists. Now we're going to get started, Harland Clark recently launched our newest marketing services solution, with the anticipation that we'd get some strong support for this.

Most of our client FIs spent a great deal amount of their marketing budget on acquiring new account holders and trying to activate, and onboard those new account holders. But the feedback we often get is they struggle to get them activated and converted to primary account status. We believe that ClickSwitch our newest marketing service solution, will go a long way to improving on your activation efforts. With that I'm going to turn this over to Cale Johnston, whose the CEO of ClickSwitch.

Cale: Thank you Erik. And before I get started I just want to go over kind of a quick overview of what we want to accomplish on today's call. There's a few slides that we're going to run through really quick just to overview ClickSwitch, who we are, what we do, how we're different. Go through those slides, and then we'll jump right into a live demonstration of the product, and show you how we're automating the switch process for your new and existing account

holders. So just a quick overview on ClickSwitch, ClickSwitch is a web based automated and it's a paperless tool to get your new and existing account holders switched over, and our tagline is 10 minutes or less. So the days of your customer having to go out to multiple different payee sites, or direct deposit sites, and trying to figure out how to get switched over.

Right now your customer would have to go out to those sites, print off multiple forms, handwrite all their information, rip off a check, put it in the mail, about 30 to 90 days the customer will be switched over. With ClickSwitch because it is all web based it's a single portal that is going to be white labeled and branded for your institution, that you're going to drive your new customer or new member traffic to this site. And your new account holder will just simply tell ClickSwitch who they have their existing payment set up with on their old FI, and now they want to get those switched over. So this portal allows your customer to just type in Netflix, Amazon, Hulu, their local energy company, power company, telecom companies.

And what you'll see when you go into this, I know it's just past tax season, it looks a lot like a turbo tax for account switching. Your customer goes into this site and ClickSwitch now tells your customer exactly how to get switched over. When your customer walks into a branch and opens up their checking account, right then and there is when you need to capture their attention and acquire that primary checking account. That's what ClickSwitch allows you to do because it is universal, it is web based, you can drive that new customer into that portal even at the branch level, and get that direct deposit set up. So the two things we really want to accomplish on today's call, and make it clear that ClickSwitch is helping you acquire primary checking accounts, and it's also helping capture the direct deposit, so your customer can instantly fund that new account as well.

To understand the benefits of ClickSwitch I think it's really important to understand the metrics and what's going on in the market right now, and the feedback, that universal feedback we're receiving from studies. And as you can see 60% of consumers believe it's just too much of a hassle to switch their financial institution, and one third of young adults are ready to switch their bank in the next 90 days. A lot of our clients that are live on the market, they're taking advantage of the taglines obviously, as well as the easiness of

the ClickSwitch portal. So there's a lot of billboards, commercials, branding going out, that if a customer moves into your territory you want to be known as the easiest financial institution to get switched over to through hassle free switching. So the branding alone is helping drive a lot of new checking account openings over to our new financial institutions.

Benefits to the account holders, I kind of went over that in the very beginning how your customers going out to multiple different sites right now. Because it is web based it's also mobile friendly, so your new account holder can really get switched over at home. They can pull out their iPad, log onto your site, and just tell ClickSwitch who they want to get set up, and what payments they want to switch over, and which direct deposit they want to switch over to their new account. And our big tagline is to get switched over in 10 minutes or less, and also the option to close their old account. So within our new site, within the ClickSwitch site there's an automatic payment set up, direct deposit set up, and then they can actually close their old checking account that they're switching away from. And I'll go over all those features during the demonstration.

Again just to recap what your customer is going through right now, you can see on the top here without ClickSwitch they're going out to multiple different Payee sites, finding the form, finding the mailing, the stamps, going through that entire process, making multiple phone calls. 30 to 90 days later they may have that account switched over to you, or they may have just switched over one or tried to switch over one, and found out that it's just too much of a hassle, and they decided to keep their account with their old financial institution. Because this is web based we're driving it to the single portal, so the days of making those multiple phone calls are over because it is web based, and we're driving the traffic in there. The way we have accomplished this, and I'll hammer home more during the demo, but we've created a database full of billers.

There's about 30,000 billers in our database, and if your customer types in Netflix it prepopulates to that Netflix change request process, and then we at ClickSwitch handle the mailing, the printing, the paper, everything involved in handing over that switch. So your customers not printing anything, it's completely web based, and paperless solution, because of this database we've

created on the backend, which I'll show you here in a couple of minutes. And just really quick you know I think I've tried to make it apparent that it's fully automated, convenient, and takes 10 minutes or less. And through this process you can see step number two is enter a switch track code provided by your institution. There is an enrollment process that your banker can go through, or we can form some sort of tighter core integration to pull the fields to generate a switch track code.

But the entire process is going to take about 10 minutes or less for the end user, and any staff members involved to get your customer switched over and to acquire the primary checking account. And this is just the last slide before we jump into a demonstration, but just to recap some of those key features we're going to hit on today is the switch track code. I will actually accomplish that first by showing how the user is enrolled into ClickSwitch, and how you can acquire the primary checking account, and then right across we're really going to hammer home on the biller database. Everything we've accomplished from a switch solution, when we first started the company, we launched four data institutions, and we ran the data period on ClickSwitch for three months.

And we learned more in that three months than it took us the two years to develop the product, and within those three months we found out that billers, the payees in specific, want the change information to come in on their own paper. So when we first started we were just sending out standardized change request forms. They were branded for the institution, and we kept getting returns from the biller, and the biller kept saying the same thing, they kept saying we want this on our own paper, and we need this information on our own paper. So we developed the database, that data drops your customer or your members information onto the specific billers form that's in the database, which I'll showcase here during the demonstration. So at this time Erik if you could pass control over to me I'll launch my screen and we can go into a demonstration.

Because this is web based it's all online right, so you can see a couple of production sites really quick. HomeStreet Banks are a local client of ours, they're not a local client, they're located out in Seattle. But they're having so much success on ClickSwitch because they're capturing the direct deposit right when the account is open. So a customer walks into a branch and opens

up a checking account, all of their bankers are now trained to not let that customer leave unless they have a direct deposit set up. So they're seeing their primary accounts go through the roof because click switch is driving the funding of the account through a direct deposit. Whether that's an employment direct deposit, social security, retirement, a government type deposit like a VA, all those are listed within the ClickSwitch portal to allow your new customer to get their deposit set up while they just opened up that checking account.

So for example because it is web based, you can see here, this is a local credit union of ours here, we've tied everything into *.ClickSwitch.com*. So Oklahoma Employees Credit Union, their regular website is just *OECU.com*, their ClickSwitch production site is *OECU.ClickSwitch.com*. Same things goes for Wings Financial here, they're having an awful lot of success with onboarding new members through the ClickSwitch portal, so they rebranded their site here. So it's basically saying you have accounts everywhere, try ClickSwitch and we can consolidate everything over to one account. So their new member can click on the link, pops open the new Wings Financial instructions on ClickSwitch, here's the link to ClickSwitch. The new member can click this link and then it pops open to their ClickSwitch production site.

So you can see here they're saying, to get started simply enter your switch track code provided by your new account representative to get switched over. So this switch track code is pretty universal, this code is going to tie in your member or your customers information, so we can make it an automated and paperless switch for your new and existing account holders. How we handle that, I'm going to log into an admin site now and we'll run through how you can enroll a new or existing account holder into ClickSwitch. This is just a fusion branded demo site right now, I'm going to go into a production site, we'll use Deerwood Bank for example today. So you have two levels of administrators, what I just showed is there's a login process that your institution can access.

It's more of an administrator site, I'm sure if you have mobile banking, or mobile remote deposit capture, all those different formats have an administrator site that they can go into, you at the institution can go into, and run reports, and check activity, and make customizations. The same thing

goes within ClickSwitch you'll have an administrator site, there's two different levels, there's what we call a super user. So when the super user logs in for Deerwood bank for example, the super user sees all different functionalities, so they can see site design, they can run reports on their switches. So you now have all the analysis to figure out if you're acquiring primary checking accounts through this new portal, what direct deposit your customers have set up, what are still lacking.

All this is now tracked through the database we created so you can really get into a great amount of detail about what is taking place at your branch level, and at the customer level as well. You can look at customer activity and then your branch activity as well. So if you have 25 branches for example, you can see how each branch is performing on ClickSwitch. So let's say branch A opened up 50 checking accounts that day, out of the 50 that were open they set up 25 direct deposits through ClickSwitch, so all of that analysis is now being tracked within your database. Really quick before I jump into a demo, I just want to show you how easy it is to go live on the ClickSwitch portal. We put a ton of development and programming into our site from the very beginning, because we did not want our clients to sit in a project queue for six months and then go live, you know a year later.

ClickSwitch is pretty turnkey, so when Deerwood Bank signed their project work order for ClickSwitch, they were allowed access, and they can come in here and they can click on customization to their site, and then they create their subdomain. So if you remember Wings Financial, it's just *WingsFinancial.ClickSwitch.com*, Deerwood Bank is on *myaccountswitch.com*. So the only thing they have to do to create a production site is type in Deerwood Bank, it subdomains it into *.myaccountswitch.com*, or *.ClickSwitch.com*. Pick the features, balance assist, bill pay, email alerts, I will discuss all of this during the demo, and what those functionalities mean within the site.

Upload a main logo, background image, pick their color scheme, and then Deerwood Bank created a site, and they were outrunning switches within the first week after their project work order was executed. In order to-- okay so there's-- as I was mentioning there's two different levels, right so there's the super user and there's the banker. Now we have two different processes at

ClickSwitch, we have a standalone solution which about 90-95% of our clients run a standalone ClickSwitch. Meaning they rely on their banker to go in and enroll a customer, or a member into ClickSwitch, and then the rest we have core integration with. So we built an API that makes a core call, so we can see when a new account is open, and then we just pull the data fields that we need to auto enroll the member or the new customer into ClickSwitch.

So what I'm going to show you here today is an example of manually entering a customer. Most of the manual entries happening if the customer wants to get switched over right then and there in the branch, and that's why a majority of our clients are on a standalone version. So you can see right here the banker just has this customers tab, they only thing they have to do is click on enroll customer, and we need to pull these five fields in order to enroll a customer into ClickSwitch. So let's say I just walked into a branch and opened up a checking account, your banker can just ask these few simple questions that a lot of this-- a little bit of this I should say is redundant. You already went through this process when opening it up, but it will take about one to three minutes for your banker to enter this information, and then from there it's an automated switch solution.

So I can walk in and say [Long Pause] use Yahoo. If my wife and I walked in and opened up a joint checking account we could access a joint account switch as well, by just putting primary and secondary on the account, and then we could run the switch. So my wife has an account at ABC Bank, I have an account at ABC Federal Credit Union, we want to consolidate that over to DEF Bank, that can now easily be done through the ClickSwitch solution. Home address, again we're capturing these fields because these are the fields that need to be data dropped onto the change requests forms that are in our database. We'll allow email alerts, and I'll show you how that functionality works in a second. Cell phone number we prefer in case the biller needs to get into contact with your new customer or your new member.

Your branches will be uploaded into your ClickSwitch portal, or they'll be tied into your banker. So if you have 150 branches, they'll be tied into the users who have access to the system. So if you have one banker or one member service rep who floats around to multiple different branches, those branches that they work at will be uploaded and uploaded specific to them. So for

example this banker has a main location in downtown that they work at, they're at the main location today. I just opened up a checking account, and then there's the checking account number that was just generated. Your banker would type in that checking account number, we already have your routing number on file, so there's no need to access the routing number.

So as you can see in just that short amount of time, ClickSwitch generated what we call as a switch track code. So this code ties into this customer's information. So again if you go out to a production site it says simply enter your switch track code provided by your new account rep to get started, it's this code right here that's referenced. As soon as your banker or your member service rep hits enroll, your new customer receives an HTML email from ClickSwitch, or it can come direct from a live email address at your institution, with instructions on how to access ClickSwitch as well. So Deerwood Banks sends out this HTML email, it's branded for Deerwood Bank, and it instructs their customer to go out to Deerwood Bank to the production site, enter this code, and just follow the instructions to get switched over.

It tells the customer don't forget about your electric, your gas, your water, your cell phone, for your bills, and don't forget about your direct deposit as well. If you look at a traditional switch kit which I'm sure everybody has, this is what a traditional switch kit looks like, don't forget about those payments. At ClickSwitch we've added about 100 different automated layers to make sure you're capturing the direct deposit, to make sure you're capturing their bill pays, and their ACHs, so you're creating a primary account, and that's what I'll get into right now. Because it is a paperless solution we deal through an e-signature process through the e-signature act, we're actually data dropping an e-signature onto the forms that are in our database. So your customer doesn't have to print off anything, sign it, and scan it back to us, it's a seamless process.

So I'm the customer, I can just type in my name, we will now data drop this e-signature onto the forms. There is the terms and conditions that your customer accepts, and that outlines the e-signature process and how we're handling that. When we enrolled the customer we only set up a checking account, but let's say they also set up a savings account as well. I can type in that account number and how I showed you earlier, your routing number's

going to be saved on file, so that will already be uploaded and automated into the system. So now once we get into ClickSwitch your customer can just tell ClickSwitch I would like my Netflix debited from my checking, I would like my mortgage debited from my savings, etcetera. Now they have an option of where they want that payment to be pulled from, or where they want their deposits to be going into.

You want to get the direct deposit, or you want to create a sticky checking account you can now do that at the branch level. So we can hit start a concierge session in the branch, and your banker can act as more of a consultant, and say let's get you switched over right now, if you want to just you know tell me maybe off the top of your head a couple of auto pays that you know you have set up on your old account, that you want to get switched over today. We can just hit create a switch so your customer knows they have Netflix pulled from their old account. I go to type in Netflix, Netflix prepopulates, again this is where the database comes into play, this is kind of the secret sauce involved in ClickSwitch.

We hit Netflix and now it says please enter the following information, so we have everything right and so we can get you switched over. Only thing with Netflix is we need to tell Netflix where we want this debited from right, do we want this pulled from the checking account or savings account. We want Netflix pulled from our checkings, so we'll hit save and create a new switch. So the next time Netflix goes to make a call, it's going to be pulled from that new checking account, they set up for example with Deerwood Bank on the demo. That was so easy, we can keep going through the process, my local power company, so we can type in Upper Peninsula Power Company, hit create. Again just tell ClickSwitch where we want this debited from, and we can keep going.

I also have Xcel Energy, we'll tell it where we want it debited. Now we like to use Xcel Energy because there's a chance that when we make a call and we pull that variable form in our database, there could be a variable on that specific form for example. The variable here would be an Xcel Energy account number, on the other two we typed in there were no variables, we had all the information we needed to get that switch accomplished. So if I actually just exit out of here, you can see that Netflix and Upper Peninsula Power are

ready to go, they're ready to be switched over but there's missing information, there's information that's still needed for Xcel Energy because we didn't fill out that primary field. So if we pull out this form right now, okay so this is where the database comes into play.

We made a call, we've data dropped your customers information or your members information onto Xcel Energy's specific form. So we can tell the specific variables to make sure your customer remembers getting switched over as fast as possible. We data dropped the new institution information, we're also including a voided check, you can see that a majority of these providers need to see a voided check. So we have a voided check maker right here, so when we print and we mail this form at the ClickSwitch operations, we're mailing that change request form and we're also including a voided check on that as well. But you can see we're missing information so we can't necessarily submit this.

But let's just start the process, and you know our big tagline is to get one right, you just need to get one ACH or one direct deposit set up in the branch to create or help create that sticky checking account. So we actually have two that are ready to go, so let's submit Netflix and Upper Peninsula. All we have to do is to submit, just confirm that we want these pulled from this new checking account, we do. Right now these have been submitted, the status has been changed to submitted, and your customer or your member just received an email again from ClickSwitch letting them know that the following payments have been sent out. Netflix and Upper Peninsula, and please allow three to seven days for processing, should you have any questions, here's our support line, or here's a support email in case your customer has any questions.

But you can see Xcel Energy is not ready to go because they don't have that account number with them which is fine. So your customer can now go home, they can find their last Xcel Energy bill, they can re-log back into ClickSwitch because it's web based, by going out to your site clicking the ClickSwitch link, using that switch track code they'll log in, and the information is still going to be needed. So if we click this information needed tab, you can still see we just need the account number. We type in the account number, hit save, we can now see that this is ready to be submitted. We pull out that form again,

and you can see that all the data fields are now filled in, that's why it's ready to be submitted.

We can now submit Xcel Energy, and so these three payments have now been sent out and they will be switched over, and then next time they go to be pulled, they're going to be pulled from that Deerwood Bank checking account that was set up. One question I always get is what if the billers not in the database. Again we have a huge database, and the database grows organically, and also grows specifically for your institution. When you sign your service agreement and we kick off your project at the ClickSwitch implementation team, we ask you at your institution to run a bill pay report, or an ACH report internally. We ask you to send us over that report and we cross reference your bill pay and your ACH report to the billers that are in our database.

So all your local energy companies, telecom companies, power companies, we want to make sure those companies are in your database when you go live so we cross reference that. Right now we're seeing we've already accounted for about 80-90% of billers that are coming across when you send us your report. So we might have to manually add about 10% from your ACH report and put about 10% of those into our biller database. Let's say we missed something on the report, there's a whole new biller that comes through the system, so your customer hits create a switch and they type in XYZ Fitness. Notice nothing is prepopulating here, we hit create, in real time it's going to tell your customer that XYZ Fitness isn't currently in the database, but don't worry we're going to get it tracked down and we'll complete your switch. But if they could help us track it down it would save us a lot of time.

Notice none of these fields are primary, but you can add city, state, zip, phone numbers, this all helps us do the processing on the backend so it's a faster switch process. Your customer looks at this and says I don't know, city, states, zip, or the phone number, but I do know it's *XYZ Fitness.com*. Again now they just tell ClickSwitch where they want it pulled from, you can exit out and it's still going to show them that it's ready to be submitted. Right now this switch has been red flagged in our operations center, and we have an individual going out to *XYZFitness.com* finding the switch, finding the process, uploading the form, modifying the form, and data dropping the variables onto

that form. The database also grows organically as you can imagine, because now ten minutes from the initiation of this switch XYZ Fitness will now be in the database. So a new customer logs in, types in XYZ Fitness, it's now in the database because it was already covered off that one-off biller, that didn't come in on anybody's ACH reports, there's still a way to fulfill that.

Erik: Cale we've received a few questions regarding the payments. One of them being are payment transfers guaranteed?

Cale: We have not had an issue with a switch, I mean knock on wood, we have not had an issue. Now just over the last couple of months we've switched over 5000 accounts, and we've not received any return forms back to our operations center, because we're data dropping onto the specific form for the biller. Which means we haven't had a switch take longer than 15 days to get switched over. I mean we can guarantee it up to a certain point, if we send that form off to the biller it gets delivered to them, they just don't update the fields, and it's the billers fault, we cannot guarantee that. So, we'll identify the institution and ourselves barring any negligence on our end, that we just didn't get that sent out. But if we're going through the process and we're handling everything on a case by case scenario and handling the switch, I don't think we can guarantee that because there's still a possibility that the biller might drop the ball on it.

Erik: And then the other question we received on payments was how does this work with switching from a debit or credit card payment such as Netflix?

Cale: So if they have a debit or credit card payment set up sometimes on the field there's a variable to enter their new debit card or credit card number. And then they can just type in their new 16 digit credit card number or debit card number into ClickSwitch, along with the date of expiration, and then we send that out to the biller and then the biller pulls from that card number. We're trying to head that way as a company, we developed a debit card and credit card switch engine that's not quite launched yet, it's still in a beta But we have intentions to launch that in the next quarter, quarter and a half, that will be live on the market. So you can see within ClickSwitch they'll be auto pays, direct deposits, account closure, they'll be another feature up here that says debit/credit card switch.

Erik: And we received one other question on the payment section here is, does the account holder have to place a check order in order to create the virtual check. And the answer to that is no. This is just a digital rendition of what that check would look like with your FIs routing a transit number.

Cale: Yes. So you'll see right here, that let's create a direct deposit really quick and that will help I think visualize the check process. So let's create a deposit, I just opened up a checking account with Deerwood Bank, I probably want to get my deposits heading in before I want to switch over any payments. So I can just type in my employer, let's say I work at Western Union. Western Union prepopulates and I can just tell ClickSwitch where we want the deposits credited to, into the checking, amount, these are just fields, they're not necessary fields, they're not primary fields, but we put them in there just in case we need to capture that information. So you can now see this is set up, and if we look at this form really quick, so we'll just pull out this direct deposit form.

Now the direct deposit forms we'll go specific onto the depositors specific direct deposit form, or if we don't have that form we can data drop specifically onto your institutions direct deposit form. We can upload that into your production site, and we can default onto that direct deposit form. You can see here, here's just a direct deposit form we use for demos, but name of institution, new account number, routing number, and then here's the voided check. So for the [0:29:54.2] we just use account number, routing number, you can see right here, account number, routing number. Now your customer or your banker has the option to print this form in the branch. So let's say your customers going into work that afternoon, and we want to get that direct deposit set up, we'll you can just print this, it's all on one paper, it includes the voided check, it includes your direct deposit form, or that depositors specific form.

And you can say if you're heading into work this afternoon just hand this to HR and they can get you set up. If they print it in the branch there's not going to be an e-signature on here, so we're going to require a physical signature. The other option you have with direct deposits is you can submit it, so if you submit the direct deposit it goes into our operations center, and we print, and we fulfill, and we mail that to the employer. If we handle that

there's going to be an e-signature on the form. So there's two different ways you can print it in the branch and send them on their way to hand to their employer, or you can submit it at the branch, and we drop an e-signature on it, and we handle the switch from there. Are there any questions on direct deposits Erik?

Erik: I think you've covered the direct deposit question. There was one question about how you handle social security.

Cale: Yes. So we've created what we call their social security database. I don't have it linked into our demo site, just because we didn't want to slow down the demo site at all. But you could just-- your customer or your member would just type in social security, they hit create. Again this is a [0:31:22.6] that walks your new account holder through the process. So I type in social security, it then prompts your customer to enter their zip code. So I'm in 55122, I would type in 55122, we at ClickSwitch then know exactly where to send that social security form for processing. I would say social security is the biggest deposit as far as volume goes, the number one deposit that's going through ClickSwitch right now. That and the employer, those are the two big things that are being set up when that account opens.

Erik: And we did have one other question relating to credit unions, where the savings account is the primary account for the relationship. I believe the example you used was for a bank but if savings account was primary it would function virtually the same way.

Cale: Correct. Yes you could just-- say UPS, and then you could just pull it from that savings account, or if the savings were the only account it would just default to that specific savings account. [Long Pause] That makes sense?

Erik: I believe you covered it.

Cale: Okay. So what I'd like to do now is just cover account closures, I'm going to actually log in to a new site really quick and show how you can, or how your customer or new member can close their account in the institution they're switching away from. This site is more set up-- so this is kind of an example if your member or customer were to go home and complete the switch. The initial login page, we want to make it you know comfortable for your new

member or your new customer, as well branded for your institution. So if John and Sally just opened up a joint checking account with you, and John and Sally log in it'll say welcome to ClickSwitch John and Sally, to make it look like it's their own customized process for switching.

So they can just hit start their switch, you can see that John is switching from Wells Fargo for example, Sally's switching from US Bank, and then they're consolidating everything over to their new checking account that was just open. Under the account closures tab, the two institutions will be data dropped into there, and John and Sally just need to pick a close on date on when they want to close their checking accounts with their previous institutions. Within ClickSwitch there's a 15 day period where they can't actually close that, so we haven't had a switch take longer than 15 days. So when they click on a calendar to close their account, the soonest for example they could close this account would be late April.

Because we don't want them to try and close their account on April 10th, and then we send out that account closure, the payments are still being pulled, because not everything is real time for a switching standpoint. So it's just easiest if we mask the first 15 days on the calendar, John can pick, he wants to close his account on the 24th, Sally can say she wants to close her account in May. And then we would send the account closure form process to the institutions specific department on the date of when we want those accounts closed. So auto pays, direct deposits, and then they can close their account within ClickSwitch as well. Were there any questions on the account closure process?

Erik: Not seeing any on the account closure process, no.

Cale: Okay. One thing I want to walk through is, as you can see here this UI looks a little bit different than the UI I was walking you through. All of our clients are being transitioned over to *.ClickSwith.com* on the new user interface. And I just wanted to show you briefly on what the new user interface would look like, so I'm just going to log into an account here. So you can see this would be an example of Community Bank & Trust. Here's what their production site looks like, so again there's two different options right, you can manually create a switch, and you can just tell ClickSwitch who you're receiving or who

you're sending automated payments to, and you can type that in. Or we've developed a new process through, I'm sure everyone's familiar with Mint, and that Mint API that they've created.

We're actually using that into an API, that Mint API for an account switching process, I see a lot of questions coming through on bill pay. So that's how we are switching bill pay over, because in order to transfer bill pay payments, we have to understand what's going on in the account that they're switching from. What bill pays, what ACHs, what direct deposits they have set up on that old account. And so through this Mint interface we just have it listed up here as online account data, your customer or your member can enter the institution they're switching away from. So for example we use Wings Financial, again if you're familiar with Mint it all looks like the Mint interface right now.

So Wings Financial prepopulates, we have about 19,000 different financial institutions uploaded into our database to switch away from. So your new customer can click on Wings Financial for example, and then here's the Wings Financial credentials, and then they can type in their Wings ID and password and hit login. At that time ClickSwitch uses that API, and we pass out transaction history. Okay so we look at their auto pays, their bill pays, and the direct deposits, and everything that's been pulled or pushed over the last year, or however far back that online banking system goes. From there the transactions will be listed right in front of your new customer, and then those bill pays they have the option to transfer those bill pays into the new bill pay system, or export a file and they can still manually type in their bills.

They're still going to have to go into your new bill pay system to schedule the payment within bill pay. But what we're doing is we're clearly recognizing what bill pay transactions took place in the old account, and what bill pay transactions need to be set up and scheduled for payment within the new bill pay system. Now this is all live data, it's live. If you need to-- if we want to run through this demo we're going to set off one-off demos we'll set up, and show you from an account. We can even pull account history, maybe you have a couple of test accounts at your institution, that you have some payments and deposits going into. We can log in to those accounts and I can show you the account history through there. But because this is live and more

on a global webinar, we would prefer to show that on a one-off basis, as far as the transaction data and what that looks like.

Erik: Cale one question here on this process. What if your AFI is not currently compatible with Mint?

Cale: That's a good question. It will say the online account data, it will say exactly what you said, it's not compatible with Mint and they need to manually type in their bills, so they can still come in here. So let's say it got rejected for some sort of reason, they blocked the API, that institution has blocked it. That's fine because they can still go in here and create a deposit and type in Western Union for example, and still process that direct deposit through the database we've created. Does that make sense?

Erik: It does. One other question in this area is, within this process how is that switch transferred through the [0:39:36.8] with online banking?

Cale: Okay so we can form-- this is why we moved our latest UI into more of a bootstrap version. It's completely mobile friendly, it's only one page as you can see, everything's inline. So if I hit create a deposit it's now stretched out and inline, there's no other pop up boxes, which allows us to easily integrate into online banking. So what we would want to do, if you want us embedded into your online banking provider, we'd want to set up a call. And ideally what we've done in the past is for first time logins, so new accounts just opened right, and your new customer logs in with their temporary username and password to online banking.

They set up their new password, and then a pop up comes up and says would you like to switch your account today as well, or right now and you hit yes, and then ClickSwitch is embedded directly within online banking. Both layers of integration are, what's coming next is to directly integrate within the core, or within the online banking provider, so we could get market share, and get everybody live to market faster. A lot of our accounts that are live right now are more standalone. But we have a lot of integration tasks on our hands, coming up here in the next couple of weeks or months.

Erik: A follow up question here is, with the bill payments when they're transferring are all of them automatically transferring, and what happens if the customer doesn't want them all to transfer?

Cale: They would have to hit an add button next to the bill pays. So within their bill pay system they don't have to transfer all, it's not all or nothing, it's on a one-off situation. Sometimes that account numbers masked, which means we cannot fill all the data fields within the new bill pay system. So like I'm saying they still have to-- they can add it, but they would still have to go in and fill in any variable fields, as well as schedule the payment date. The big feature we're providing I guess on a bill pay is to make sure and put right in front of your customer how or what bill pays they had set up, and how easy it is now to set them up within your new bill pay. Everything from an ACH transaction is being handled automatically, because they're just hitting submit switch, and then that gets processed to our operations. And we're handling ACHs bill pay, you would still need to on average go into your new bill pay system and schedule that payment, and type in the account number incase it's masked.

Erik: Do I have to be a Mint user to pull over the bill pay data?

Cale: No, no. It can be a one time, you've never used Mint before, really we're only using that Mint tool to get logged into the account. From there ClickSwitch goes to work and we're parsing out account data. So if your customer uses Mint they're using it for budgeting purposes right, to understand what's going in and out of their account. With the ClickSwitch API we just need that Mint API to get logged in, and then from there we put our own lines of code, and we're just parsing transaction history of what took place within that online banking account. So you don't need to be a Mint user.

Erik: Okay, that covers the questions for this section.

Cale: Perfect. And that's really what I wanted to cover on today's demo. And hopefully it came across how you can acquire primary's and just how easy it is to have a single source where you can drive your new consumer traffic to. And they can either type in the name of their bill, or what's coming with what you-- what we can set up on a one-off demo, is how you can pull the transaction fields and auto populate on the transaction history as well. Most of our clients in the branch, again I just want to reiterate they're using

ClickSwitch for a direct deposit tool. To get that direct deposit set up in the branch, to make sure that account's funded, and then they're going to have to re-log back into ClickSwitch, just to switch over their auto pays and close that old checking account.

Erik: We've attempted to cover most of the questions that were pertinent to the topics at the time that we were covering. Feel free to keep submitting more questions, and at the end we will field any remaining question that we have yet to answer.

Cale: I just saw a question come up that asked how long it takes to do core integration. It really depends on the core, and how fast we can get them on the phone. We've already built our API that makes the calls to the core, to pre-generate the fields and to generate a switch track code. We've already built that solution, but it's just getting the core involved, it's another call, we're probably going to have to schedule. And it's not just ClickSwitch working with your institution we'll have to bring in the core, so it might take a little bit longer. And what we're recommending as far as an implementation, even if you want core integration, let's just get you live to market on the standalone. Let's start running switches, and then let's circle back, and let's form core integration along the way. Just so we can get you live and start your marketing campaign, and start driving primary accounts through the tool, and then we'll work simultaneously to get the core integration solved.

Erik: We've received a few questions back to the payments section. And first one is, what about billers that are very small such as day care providers, gardeners, etcetera. Will they organically appear in the database?

Cale: If they're on your ACH report or your bill payer report they will. But a regular KinderCare that didn't come on anybody's report is not going to be in the database. So what's going to happen is they would type in for example KinderCare, it's not there. It would say this billers not in the database, but you still just need to tell ClickSwitch where do you want this payment debited from, your savings account or checking account. They pick it and then from there we would go out to the KinderCare site, make a phone call, maybe their forms on their site, we're basically the third party facilitator. When we first started the company, I'm going to digress a second and just tell a quick story.

When we first started the company, we heard that over in the UK the government mandated a 15 day switch. So Bank A needs to talk to Bank B, to get Bank A's customer switched over to Bank B in 15 days or less. It's a lot of unnecessary work, but that's what was mandated. Because it was the customers money that they said, and they should be able to go wherever they want with it, so that's the policy in place. So we went over there and we figured out the information that was being shared to Bank A to Bank B, and we brought the same sort of concepts to the US. And we're basically a third party facilitator that is helping that customer, your new customer get switched over to your new institution in really 15 days or less. And we're pulling the data fields and we're figuring out exactly how to get that customer switched over.

Erik: Another biller question is, how are biller form updates handled. For example what if AT&T change their form?

Cale: If they change their form we're going to send the old form out. Most of the time this has happened, is they still accept the new form, or they accept the old form. But they'll send us the new form back and say, we've updated our form with these fields, we then take that new form, we scan it, and we modify it up into our system, and then we begin to data drop on the new form.

Erik: Another payment question here. Is can ClickSwitch set up first time payments and direct deposits?

Cale: Yes it can. And a lot of our institutions are recognizing the bill pay transactions that have taken place in their old account. And you can actually set up their bill pays, and you can just set it up as an ACH on their new account. And we'll just push out a new first time payment to that provider, saying here's the new account number and routing number that you need to pull from on the 15th for example. And then they'll pull from that on the 15th, so it's for recurring's and it's for single or first time payments as well.

Erik: We have a few account closing questions that have come in. The first one is, when converting does the previous and new account ownership have to be the same, if so how is it verified?

Cale: Not sure I'm fully understanding that. But how the account closure piece works is we're not verifying anything that happens within the new, because that could take place within the set up process with the new account number and routing number. What we're doing as we're data dropping fields onto an account closure form that's specific to that institution. So if they're switching over from a top ten big bank, that top ten big bank has their own account closure form that's up in our database that we're data dropping the fields onto.

And we're sending it out to that specific department, with their old account number and routing number. Ten times out of ten there's a verification phone call that happens, and a little sales pitch that happens from the institution that the account is being closed on. Saying you know, are you sure you want to leave, there might be some incentives put on that call as well, but we can't really take care of that process. I guess the only thing we're doing is we're data dropping the fields onto the account closure form, and we're mailing it to the old institution to bring notification that this customer, your new customer is trying to close their old account.

Erik: I think you covered both questions with that one answer there Cale.

Cale: Okay.

Erik: The next question is, is this available for business customers or just consumer?

Cale: Absolutely. It's available for businesses as well, and it's becoming more and more popular. We're going to want to develop two different production sites for you, I guess to drive your retail traffic to one site, and drive business traffic to another site. But we handle switches the exact same. You might want to change the language and the terminology around a little from one site to the next. But it would just be *ABCBank.ClickSwith.com* for your retail, and it'd be *ABCBank.BusinessSwitch.com* for your business traffic to go to. So it's definitely being done.

Erik: The next question we have is, can this solution be added into an eye frame?

- Cale:** Yes. Yes we can eye frame it. We've done that on a couple of different accounts. We would just want to work with your technology department, to make sure that [0:50:31.6] and everything are all set up.
- Erik:** Another somewhat technical question here is, are there cores that you are not compatible with?
- Cale:** Not that we've found so far. I mean the API is pretty universal, what we call it is our integration kit. And the integration kit just makes a call, and you saw the five fields we're capturing right. So we're capturing email address, home address, name, cell phone, or phone number, and then the account number. We grab those fields and then we generate what we call is the switch track code. Our API can grab those fields in all the different cores that we've integrated with so far, and we haven't run into any issues.
- Erik:** The next question is around pricing and functionality. And what we generally would like to ask is that if you're interested in pricing that you reach out to your Harland Clarke contact person, to discuss your unique situation. But the standard pricing model is a per click fee. So each new account holder that's enrolled they'll be a fee for that, and that will cover all your services provided.
- Cale:** And do you just want to clarify-- right. And it's not necessarily-- if you open up a 1000 checking accounts a month for example, we want 1000 users to go into ClickSwitch to be switched. We do not charge you on the 1000 users that are enrolled, you would be charged on the 100 users that used ClickSwitch. So say you enrolled 1000, and 10% of them used ClickSwitch to get switched over, you're just charged on those 10% that went into the site and set up their direct deposit, or their auto pay. Because that's when ClickSwitch cost kicks in right. We don't have any cost if you're just enrolling your new member or your new customer, but when our cost kicks in because we're handling the man hours on the backend of piecing together forms, the processing, the paper, the printing, the mailing. We're covering all that so that's when our cost kicks in, and that's when you would get charged for that user fee.
- Erik:** Another integration question is, ClickSwitch integrated with Neteller, which is I believe Jack Henry

- Cale:** I don't believe currently we spoke with Neteller, but that can be handled pretty quickly on a phone call.
- Erik:** Okay. Another question here, how many banks or credit unions are currently using ClickSwitch, and for how long?
- Cale:** That's a good question. So I mentioned we launched the [0:53:14.1] in December of 2013. In April 2014 so exactly a year ago we started selling ClickSwitch contracts, our service agreements out to institutions. And really over the last five months we've on boarded over 150 institutions onto the ClickSwitch platform, and we've gone into 40 different states. My background was more along the lines of mobile banking and mobile deposit, and we never saw a growth like that in such a short amount of time. Which proves that there's a concept involved in account switching, and there's a huge need to go out and to acquire primary accounts. And our projections are to be in over 1500 institutions within 2015. So the pipeline and everything is growing so quickly, we're just excited with everything that's happening, and where the products heading as well.
- Erik:** Another business related question is, how does ClickSwitch work with transitioning automatic deposits for business accounts such as Medicare, oil companies, etcetera?
- Cale:** You see the same process within the solution. So they would just type in their deposit information into the business site, it would make a call, we would figure out the deposit process. And then we would stop to deposit on the old, and we would revert the deposit into the new account they're set up through the ClickSwitch engine.
- Erik:** Let me see if we have some other questions here. We have a question about references. And generally if you request a reference and you're very interested in the solution, we'd like to put you in contact with somebody. The next question Cale is, how much customer information are you retaining on your site?
- Cale:** That's a good question. Okay so from a security standpoint we are storing those five fields that we make a call to, we're only storing those fields for 90 days, in the Microsoft Azures. So we securely pass information to Azure to

store in the Microsoft cloud, that's being stored for 90 days. On day 91 a script is run and we wipe off that customer's specific information that resided on the cloud. So it's not like we're storing that email address, and home address for seven years, it's only for 90 days. So if your customer tries to log back into ClickSwitch on day 95, the users not in the system anymore, so they'd have to contact a banker, or they'd have to contact ClickSwitch support, and we'd have to re-enroll them back into the service. We haven't had that issue happen, everybody's switched over in the first 30 days on ClickSwitch, so the 90 day limit seems to be about right.

Erik: Okay we're approaching the top of the hour, we have a few more questions here on closing. How does the customer know the account at the old bank has been closed or not?

Cale: I mentioned earlier that typically there's a phone call that takes place from the old institution. The old institution is not just receiving the form, closing it, and not making any touch points. They're trying to save the account, and then there's usually a phone call that takes place that says you know, there's an incentive program or something's going on, so that's been our feedback so far to try and keep that account open. And then also you know if your customers like no, no, no I just want to close it it's fine, they'll say well you have \$400.00 dollars in this checking account, how do you want us to send the funds, okay we'll send you a check with the remaining. So there's always been a verification phone call that's taken place when attempting to close the account.

Erik: We have a few more questions here but we're at the top of the hour, and I do want to remind everyone that all of our attendees today are going to receive a copy of the presentation, a link to the recording of this webcast, and then also a copy of every question that's been asked, and the corresponding answer to that question. And with that I'd like to thank everybody for joining us today with our ClickSwitch presentation. If you have further questions please reach out to your Harland Clarke account representative to receive additional information. And I want to thank you for your time today, and have a nice rest of your day, thank you.

Cale: Thank you.