



**Harland Clarke Hassle-Free Automated Account Switching Webcast 05/07/2015**  
***Help Your Account Holders Instantly Fund & Switch Their Primary Account to Your Financial Institution***  
**TRANSCRIPT**

**Presenter – Cale Johnston, President & CEO, ClickSWITCH**

**Presenter – Erik Kelley, Senior Product Manager, Harland Clarke**

**Matt:** Is being recorded and will be provided to you, along with the presentation deck in a few days. I will now turn over the call to Erik Kelley, senior product manager with Harland Clarke. Erik, you have the call.

**Erik:** Thank you Matt. I want to welcome all of our attendees today, joining us for one of our newer solutions that Harland Clarke has brought to market, which has quickly become the industry leader, and the most advanced solution available in helping financial institutions activate new accounts, and convert them to primary status. We all know the effort and investment that all of us make in acquiring new checking account holders, and this type of solution really helps in capturing those new relationships, and quickly and efficiently converting them into primary financial status. With that I'm going to turn this phone call over to Cale Johnston who is the CEO of ClickSWITCH.

But before I do that I want to be sure to let everybody know, that if you do have questions during the course of the webcast today, please use the question function available through-- go to meetings. Everybody who is in attendance, or who has registered for this event, will receive a copy of the presentation, a recording of the webcast, as well as a set of all the questions that have been asked, and all the appropriate answers corresponding to those questions. During the course of the webcast we will also try to answer questions as they are asked, if we are unable to get to them during those sections of the questions, we are going to set aside some time at the end of the webcast to address as many open questions as we are able to. And with that I'm going to turn over to Cale Johnston.

**Cale:** Perfect, thank you Erik. I think we have a nice agenda planned for us today, we do have a live demonstration of ClickSWITCH that's going to be showed. For this call, we really want to focus on the customer or member experience,

and then we also will turn our attention to more of some administration functionality as far as reporting tools. And you can now track your primary account status for your new and existing account holders, those using ClickSWITCH, who isn't. So we'll go into the weeds on the administration side, but we really want to focus on what is your new customer experience, and how can you really acquire primary checking accounts. To give you a high level overview of ClickSWITCH first, it is web based, it's automated, and it's a paperless tool to switch over your new and existing account holders.

I do want to be clear that it's not just a new account switching tool. A lot of our institutions that are live on the market are using it for existing account holders to get switched over. Maybe that existing account holder didn't have the newest technology and didn't quite get switched over, so there is a marketing target happening with ClickSWITCH as well. So over the past five months ClickSWITCH is averaging about 30 new financial institutions a month, signing contracts. So we really went live to market about July of 2014, and since then we've onboarded over 200 financial institutions, and we have a goal to onboard between 800 to 1000 financial institutions here in 2015. So I think we really addressed an issue in the market.

And today I think it's all about having your financial institution look at ClickSWITCH and see if this is a solution that can provide a little bit more efficiencies for your day to day business. So based on the market share, we've been able to become the most robust and leading switch solution on the market. We really came out of nowhere in 2014, so 2015 based on pipeline and everything happening, we're expecting it to be a great year for us. So what has ClickSWITCH accomplished? ClickSWITCH serves as switching over your new customers, or your existing customers and members. ACHs, direct deposits, and we also assist on a bill pay solution as well. Those ACHs and bill pays, those seem to be the sticky reoccurring payments that are happening from the account that they're trying to switch away from.

So ClickSWITCH is that solution that allows for an easy and hassle free switch solution. And then we're going to target all the bullets within this first slide. One thing I do want to touch on is security and compliance, obviously ClickSWITCH is SSAE16 Soc1, we are type two certified, and if we get down the road from a due diligence we have all of our due diligence information

ready to go from a compliance standpoint. The key benefits are the metrics, the metrics involved with Harland Clarkes ClickSWITCH. I think everybody understands that if an automated switch solution went to market, it would almost be a no brainer, because you can see about 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 make the switch in the next 90 days.

So a lot of our clients that are going live right now have a very aggressive marketing campaign. So a new member moves in, or a new customer moves into to your territory, there's billboards all over the place that says your institution is the easiest place to switch to. That's a very important piece, especially just nowadays when everybody's looking for automated services and solutions. Your average customers looking for that in their bank or credit union as well. So we do feel that ClickSWITCH is that technology that's going to help you drive in and onboard some new customers as well. Key benefits to account holders, the ability to switch on a mobile device or personal computer I think is the biggest. Because ClickSWITCH is paperless, if you look at what your customers doing right now, or your members doing right now without ClickSWITCH, they're going out to multiple different websites, and they're looking on how to get switched over.

So they're going to CenturyLink or Netflix, or Comcast, and they're trying to get switched over. About 90% of the time they're printing off a change of request form, they're handwriting information, they're ripping off a voided check, they're sending it through the mail, 30 to 90 days later they're finally switched over. The average customer does that on about one or two, and then they get frustrated and they never fully get switched over. Because ClickSWITCH is web based it allows your new member or your new customer to go onto your branded ClickSWITCH site, and just tell ClickSWITCH who they want to switch over for their automatic payments and direct deposit. So I would type in ClickSWITCH as my direct deposit, maybe if I had social security, any government type deposits, I could just type that in and hit submit, and ClickSWITCH goes to work and switches it from there.

So, your new account holder can have their iPad out, they're sitting on their couch, and their simply just telling ClickSWITCH who they want to set up and switch over. When you get into it looks a lot like a turbo tax for account

switching, because it all is web based, it's mobile compatible, with laptop version as well. And that's just kind of the way your new customers are trying to get switched over. And we can initiate the switch process in about ten minutes or less. So the average switch time is ten minutes or less, there is still about, the full switch may take about three to seven days to get fully switched over. But the days of your customers going out to multiple different sites are over, because it's just one site that's brand is specific for your institution, and it's a tool that your account holder can orchestrate through.

So again just how ClickSWITCH works, you can see on the top there without ClickSWITCH your customers going out to multiple different sites, or making multiple different phone calls. They're switch one or two and they realize, hey this is a huge pain, maybe I don't want to get fully switched over. With ClickSWITCH in play we're increasing primary account holders, because the switch can take place right away. Everything goes through a branded portal as you can see there down below, and then every new customer that opens up a checking account can receive what we call a SwitchTRACK code. That's basically a security token that allows your customer to go into ClickSWITCH and to get switched over. So in a matter of minutes they're now switching their direct deposits, their utilities, their mortgage, their car payment, and they can close their old checking account within ClickSWITCH as well.

And we will show all this during the demo here in a couple of minutes. As I mentioned it's fully automated, convenient and takes less than ten minutes to get switched over. The real time switch confirmation, this has been a huge game changer. So up till now it's been a very segmented process for the end user, and the financial institution, and the biller, because there was no software interfaces to tie everybody in on what is happening with the switch. So there's the customer, there's the FI, and then there's the biller, without ClickSWITCH it's segmented and nobody communicates with each other. With ClickSWITCH in play, because it's all online and there's software involved, we have the software interface for the biller to communicate back to the ClickSWITCH portal exactly when that switch occurs.

So when they submit their switch it says submitted processing, and then when blue craft, blue shield accepts their change request form that ClickSWITCH submits, they can send out a notification that updates their

portal that this switch has been completed. So there's no more phone calls trying to track down where their payment is, it's basically in easy terms it's computers talking to computers, to make sure your customer is aware right when then that switch has gone through for the end user. So ClickSWITCH components we're going to hit on all of these during the demo. But as you can see on the right hand side, the top one, the biller database. The biller database is the glue that ties everything together to make an automated switch.

When we first got into the market, we did not have a database. Meaning we did not build out a database full of billers to automatically switch. When we went to market we had standardized change request forms, and we were data dropping information onto standardized change request forms. Meaning, if I was trying to switch over my Comcast, I would type in Comcast, and in ClickSWITCH I'd hit submit, and then my information would get data dropped onto a standardized form, where ClickSWITCH would then print and mail and send it to Comcast. About 50% of the time the biller, like Comcast, was returning that back to ClickSWITCH and saying, no you need to put this on our own paper. So, we went through the process, and we've built out a biller database. We have about 30,000 registered billers in our database. And if I now type in Comcast and I hit submit as an end user, it data drops your customers information onto Comcast's specific change request form.

And that goes for CenturyLink, or Xcel Energy, or any local huge energy companies, Telcom companies. Then we also narrow it down to local companies that are in your area. During your project and implementation the only thing you really need to do, is we ask you run an ACH report or a bill pay report, so we can cross reference your bill pay providers in your area, compared to the billers that are on our database. And then when you go live we make sure that all your bill pay providers, all your ACH providers that run off that report, are in your database, so your customers and your members have the best experience out there as possible. And that's probably a good Segway to go into the demonstration now, then I can show you how that biller database functions and reacts in real time, to allow that real time and automated switch service.

Right now I'm going to show my screen so hopefully everyone can see it here in a second. What you're going to be seeing here is, this is more a Fusion branded right here, Fusion Network is the company ClickSWITCH is the product. But I just wanted to give you an example of what some other institutions are doing as far as workflow goes. So you can see Wings Financial, Wings Financial is a customer of ours. So they have a new service on their website that says hassle free switching, there goes your last excuse to switch over your checking account. So ClickSWITCH is the new service that is switching over all their new and existing account holders. And like I said we have a number of institutions that are live on the market running switches on ClickSWITCH every day.

Because this is web based what we will do is we'll take your regular web address, and we'll subdomain it into *.ClickSWITCH.com*. So production environments are created very quickly, so you can see it's a two logo concept. So Texas Star Bank here, this is very Texas looking which I like. So there's Texas Star Banks main logo, background image, and then we just subdomain it into *.ClickSwitch.com*. So take your regular web address, *.ClickSWITCH.com*, and that will be your ClickSWITCH production site. As you can see on this production site, Texas Star Bank tells their new customer to get started simply enter the SwitchTRACK code provided by your new account rep to get started. You can receive the SwitchTRACK code in two different ways.

We have a concierge service which allows your customer or your member to get switched over in the branch, because we offer training to all your member service reps and your bankers that open up checking accounts. Because what you want to do is-- account just got opened in a branch, well you want to get that direct deposit set up right away so there's no money funding the old account, which means they have to switch over all their reoccurring payments as well, which increases the likelihood of acquiring that primary checking account. The other way is more of a take home service, some of your customers say you know what I don't have ten minutes to get switched over, I'd rather do it tonight. Well that's fine, so right when their accounts open, there's a welcome email that they receive from ClickSWITCH or from your institution with ClickSWITCH information, that says go out, to like Texas Star



Bank says go out to *TexasStarBank.ClickSWITCH.com*, enter your SwitchTRACK code and get switched over today.

So I do want to be clear that it is a concierge solution as well as a take home solution. I will say that about 80% of our switches initiate in the branch though, because a lot of our institutions that pulled the trigger and went live right away and they wanted to be pioneers. They are very focused on capturing that direct deposit right when the accounts open, through this ClickSWITCH portal. What I'm going to do now is let's focus on your customer or your member experience. So you'll have your branded site, we're going to go in here, so let's say I just opened up a checking account with this financial institution. I received a SwitchTRACK code, so what is the customer, what does the member experience? The experience is to type in their SwitchTRACK code that was provided via email or in the branch and sent them on their way.

I type in that code, and I hit start a new switch. We do have a two factor login process, because it is web based part of that SSEA16 outline, is we need to set up a password just in case your customer or your member wants to re-log back in, and maybe they forgot a switch or two. Well they can now go back into this portal and complete their switch. So their username on ClickSWITCH is going to be their email address they used to open up their checking account. And then the password is the password that they just created. I now hit login. So we will use Navy Federal, their site for demo today. So let's say I just opened up a checking account with Navy Federal Credit Union. The first thing I do when I login to their ClickSWITCH page is I accept the terms and conditions.

Now our attorneys at ClickSWITCH drafted the terms and conditions, it's very similar to like an end user license agreement for mobile deposit or mobile banking. We send that over to you, and your legal counsel can red line it send it back to us, and then we upload it into your production site. So it's a pretty quick process, and a lot of its red line to your liking. So I'm the new member or the new customer, I login, and here's pretty much a custom site for your new account holder to get switched over. Again we offer direct deposit switching, automatic payment switching, and you can close your old checking

account within ClickSWITCH as well. What I want to focus on first, is I want to show you how that biller database works.

Over the last five months we're sitting at about a 99% acceptance rate on first goes, because we're sending out the mailing and the switching through our back end office, and we're sitting at those rates because we're data dropping onto the billers specific form. So if I want to switch over an auto pay I just follow the instructions right to your account holders. So it says click the create a switch link, enter the biller name, we just follow the switch steps. So I click create a switch, I enter the name I want to switch over, so let's say I want to switch over Upper Peninsula, I'm not a good speller, so I'll just type in Upper and I'll hit search. So right when I switch to hit upper, it searches the biller database and it finds Upper Peninsula Power Company. Yes this is the biller I want to switch over, I want to switch over Upper Peninsula Power.

So your account holder clicks and hits create. Now we just need to tell ClickSWITCH where we want the payments to be debited from, so when I opened up my checking account with Navy Federal Credit Union I opened up a checking account and a savings account. I want this payment to be debited from my checking, so I hit save. So just like that the status is now ready to submit, so we're ready to now submit this switch to be switched over. So the next time Upper Peninsula Power Company pulls, they're going to pull from my new checking account with Navy Federal Credit Union. So I hit submit a switch, click submit to get this switched over, please allow five to fifteen days for the biller to process your request, please continue to monitor all your accounts. Just standardized things that were put in the site to make sure your customer or your account holder knows exactly where they are.

So you can see that this has now been submitted-processing, and I will show you how the completed notifications work here in a second. Most of our accounts are focusing on more of a direct deposit right away. So if I want to switch over my direct deposit, let's say I have social security, I could type in social security here, but I work at the Fusion Network right, so I hit Fusion Network, it matches the database. And in our biller database we actually register it as The Fusion Network, but we do that quick search and it pulls the biller in real time, we click on it, we hit create. And it's just going to ask a couple of more questions, where we want this deposit credited to. Right, so



we want the money to go into our checking account, this might be a variable field on the form. So they have the option to enter their employee ID or social security number depending on which form that that specific biller has.

Say it's \$2,500 dollars, and I want 100% of my pay period to go into this account. So this is now ready to be submitted as well. We can submit this switch, and you can see that in a manner of a couple of minutes we set up Upper Peninsula Power, and we set up my direct deposit. So the next time the Fusion Network saves me, it's going to be deposited into my new checking account. Now I've shown you what the customer or what the member experience is, and there's really two parts to this switch. There's what your customers going through, and then there's ClickSWITCH, what is ClickSWITCH going through now. So right when this gets submitted, or we get a red flag alert and we print this form and we mail it through our operations center.

We also send a voided check, because every biller wants to see a voided check. So we print off the ACH change request form with the variable fields on it, and then we also send out this voided check as well. We send this at 3pm central time every day, and we send it out first class priority mail. It varies, some days we run 500 to 1000 switches, other day we run about 200 to 300 switches, it really depends on how many accounts that are being opened and switched through the ClickSwitch portal. But our back end processing is scalable, and it's robust enough to handle the biggest of the financial institutions, or just FIs who are looking to grow their checking account, this is a good process for you as well.

**Erik:** Cale we've had a few questions that have come in about some of these switching examples. The first one is, how do the switches of automatic payments, how are they handled when it was previously set up on a debit card?

**Cale:** Okay so that's a good question. So you can see here we're using the billers change and request form in real time. Now with Upper Peninsula Power they don't accept debit cards, right so they only accept ACH. So the only way to do this is to create an ACH, and next to put the routing number and account number data dropped on in real time, and then we also work through an e-

signature as well. What will happen is if they have a debit card set up with for example Upper Peninsula before, they were setting it up as an ACH, it will stop the payment on the direct deposit, and they'll accept the new form of payment.

So it's basically stop payment on debit card, start pulling from this new account number and routing number. At the end of the day we thought this was going to be complicated, and the merchants and the billers were going to have a tough time accepting this new process, but really what we found out is they just want to get paid. They don't want to make a call on that old debit card, it doesn't exist, it's expired, or that old bank account number that has no money into it. So when you send out new payment information, they're taking that new payment information, so the next time they go to make a call to get paid they're pulling it from the most recent information. Does that make sense?

**Erik:** I think you covered that one pretty well. We have two questions on the direct deposit, and I'm going to lump them together a little bit. Do you have to put a specific dollar amount into ClickSWITCH for the direct deposit, and that can change frequently. The second part of the question is can I split my direct deposit into multiple accounts?

**Cale:** You can. So this just showed up as a variable. I wanted to show you how the database works, so we asked for that \$2,500 dollars right, we asked you to input that, but you could leave it blank, and we'll still process your request, it's just going to come through as there's no money right here. And you could put 50%, 25%, you can tell your percentage to pay of what you want to-- some people have money market, some people want to split it all up, you can do that within ClickSWITCH as well. We data drop an e-signature onto here and then we also include the voided check, it's all on one form, it all goes out. So I just wanted to show you how the variables work, and they do not need to be filled out, these can be left blank, and they will still go through. Really what we're looking for is this new account number and routing number, because we need to data drop this new account number and routing number onto the account number and routing number that's on the voided check as well, to get this switched over.

**Erik:**

Thanks Cale. Another couple of questions that are coming through here. What if the customer wants to use their debit card to pay their automatic payment?

**Cale:**

Yes, so on a lot of these forms we'll pull the variable that asks them to enter their debit card number. So if I put in Xcel Energy, and Xcel Energy has a debit card line there for a 16 digit pin. So we'll pull a variable that they can enter their 16 digit card number, expiration date, and what the back of the card says, that three digit pin on the back of the card. And then we send that out to Xcel Energy, and then they pull it off that reoccurring credit card or debit card as well. So it all depends on the variable that is on the form. A lot of these local energy companies, power companies, they do not accept debit cards. They want to pull from an ACH because they get the fees involved when they're pulling on cards, but they don't get fees involved when they're just ACH and transactions. So it really depends on what the biller accepts, and if they accept a debit card number we pull the variable on that debit card number, so they can enter their 16 digit card number.

**Erik:**

The next question that's come up is, can ClickSWITCH handle joint accounts?

**Cale:**

It can. Yes and that is handled there in enrolling. So if I walked in with my wife we opened a joint checking account, there would be one SwitchTRACK code, and when I login it would have my wife and me as account older information within ClickSwitch. And then we could switch two accounts over to Navy Federal for example under one portal. A majority of our switches are coming from joint accounts.

**Erik:**

And can the customer or account holder print all of these forms for their personal records?

**Cale:**

They can. Yes you can print or submit. If you submit the form we process it, but if you hit print it does not get through to our operation center because it's red flagged as this was printed either in the branch or at home.

**Erik:**

And are there any risks associated with sharing this information with ClickSWITCH, the personal information that is?

**Cale:** So I mentioned that all through our of due diligence information that we'll send over to you. But we're a Microsoft shop we use Microsoft Azure as our data center. This information on your customer or on you member, is stored on the cloud within our secure cloud portal for 90 days. So what is being stored, the same information that's on a check is being stored on Microsoft Azure, and on our secure portal for 90 days. On day 91 we run a script and your customer or your member doesn't exist. We haven't had a switch take longer than 90 days, if you prefer only 60 days of storage we can allow that. But I just want to be clear we're not storing this information for seven years, you know backed up through three redundant centers. This is a quick process, that this information is stored for 90 days, and then we wipe off your customer data right after that. Typically what happens is we can set up a compliance call, we can go through our software architecture and how the data's flowing. And we have not lost a deal due to security yet, and we'll continue to address those questions, if you want to set up a call we can.

**Erik:** Thanks Cale. Continue the demo, we have a few other questions, but I'm pretty sure you're going to cover those in the next few moments.

**Cale:** Yes, okay so there's two phases of this demo like I said, there's the biller database. But if your customer is in the branch and they want to get switched over in the branch, they may only know of one or two payments off the top of their head which makes this process a little bit difficult. So what ClickSWITCH did is we use the same technology as Mint, I'm sure everyone's familiar with Mint in the budgeting tool. So Mint allows your customer to go out to a Mint site, enter their username and password to online banking, and then Mint looks at some transactions fields, and then they put together a budgeting service for your customer or for your member. Well ClickSWITCH took the same tools and we put it into account switching. So now your customer, your new customer, or your new member, your new account holder, can enter the name of the financial institution they're switching away from.

They'll enter their username and password, and then right then and there ClickSWITCH will put a statement in front of them, and it will show your customer or your account holder all the reoccurring ACHs, their direct deposits, and their bill pays that they need to switch over to their new institution. So no longer do they have to guess off the top of their head what

they have set up, because within ClickSWITCH now, I'm going to click this online account data tab if your familiar with mint this is a Mint interface. So we've built in a Mint interface into ClickSWITCH, so I can just enter the institution I'm switching away from. So I'm switching away from Wings Financial over to Navy Federal Credit Union. I type in Wings Financial, we have about 19,000 financial institutions into this FI database. It's worldwide so it's Canada, it's Europe, switching's never been easier because of this tool.

So I'm the end user I click Wings Financial, now I access my login information. Again so if I went out to Wings Financial and logged in using my Wings ID and password, I would access my online banking record. We're doing the same thing here, so I enter my Wings ID, my password, and I want to get switched away right, so I hit login. This takes about 40 to 45 seconds to access this data. So right now ClickSWITCH is using the account aggregator, it's actually into its account aggregator. And we just pay them a licensing fee, we put about 2 million different lines of code behind this. So we're accessing account aggregator and we're parsing out, we're looking at tran fields right, we're seeing what were the reoccurring ACH that hit on the same time and date every month or close to it. What was the reoccurring direct deposit, what was the reoccurring bill pay.

We parse out all that data and like I said we're just putting a statement right in front of your new account holder, that shows how easy it is to get switched over to your institution. So I'm now logged into my account, you can see there's a line of credit, a home equity line of credit, there's a shared savings. And if I click on checking, bingo, here's where I have all my payments set up. So from a reoccurring automatic payment transaction I can tell this student loan payment this got debited today, for this amount, country mutual life insurance, this got debited on the first for that amount. A product called ClickSWITCH right, so with the click of a mouse I can now switch over. So I'm just running through and lets figure out what I want to switch over. There's my CenturyLink auto pay for \$40, let's get that switched over to Navy Federal, it looks like they pulled a month ago today, so another payment should be coming up.

So I hit this add button, hopefully everybody can see it, it's on the far right hand corner, it says add an automatic payment. I hit add, and now it pulls it

and pushes it right into the biller database. So if you remember before I was manually typing in Upper Peninsula Power, well right now I'm accessing my statement, and I can just hit an add button and I'll hit search. So CenturyLink auto pay is in our biller database as just CenturyLink, so that's why we had to add the search mechanism. So if I just hit biller name, hit create. So we're pulling the variables in real time. So we want this to be debited from my checking account, and my account number is my telephone number with area code, so I type in my telephone number and I hit save. Just like that my CenturyLink's been switched over and I can just continue to go through and add my Dakota Electric my Country Mutual, everything I've set up on a reoccurring, I can continue to just hit add.

So with the click of a mouse you're acquiring primary checking account. Same thing goes from a direct deposit standpoint. We want this Fusion Network payroll to be switched over right, so let's add this as a direct deposit. I hit the add button, so you can now switch over direct deposits all online with the click of a mouse. I hit search, here's the Fusion Network, click it, switch it, and it pulls the data to get you switched over. Now I already added my Fusion Network direct deposit, so I just want to show you how easy it is to complete that process in the branch or at home, because they're just clicking an add button to get switched over. If I was a bill pay user, my bill pay transactions would be listed down here.

We're looking at bill pay transaction fields, so if I had ten bill pays set up, my bill pay transaction would be pared out here, and it allows you to download a file and set up the bill pays within your new online banking system. So we built the piece of middle ware that can extract old bill pay and import it into a new bill pay system of your own. The issue we have right now is bill pay is not an automated service. You still have to go in, you have to schedule your payment, you have to enter your account number etcetera. So really what we're doing in phase one with bill pay, is we're going to put a bill pay transaction statement right in front of your customers. So just really quickly, you can search a bill pay string as well. So let's say I have Chase bill pay set up, but they're showing as ACH in my memo. I can download this bill pay record, save it, open it, and then we just export it right now into a Excel file.

But this could be done ahead of time, and you could send customer or your member on their way, you could send them home, and say when you go home tonight here's all the bill pays you need to switch over. Because that's the number one thing, is off the top of your head, your customer or your account holder does not know what they have a set up as reoccurring. It's a weird process, I know we're in the grind every day, we understand it, but the average customer just cannot tell what's being pulled, and what's a bill pay, what's an ACH. So here's an easy system that parses it out. Here's two bill pays you need to set up within your new bill pay system, and take this on your way and go. From an ACH standpoint again, you're just hitting an add button and we're popping it into the database, and we're getting it switched over.

So really quickly I'm going to close out of here, I just wanted to set up my CenturyLink, it brings me back to my home page, right we added CenturyLink, and before we submit it let's take a look at the change request form for CenturyLink. So again, here's the database where we're using CenturyLink's specific change request form. We data dropped your customer or your account holders information onto their specific form, and say all these voided blank checks or savings slips, and then we include that voided check as well. So this CenturyLink form gets printed off in our operations center as well as a voided check, we send it out first class priority mail, it takes about three to seven days to get switched. But the days of your customers going out to multiple sites those days are over. Between the Mint API that we built within ClickSWITCH and the biller database, I feel like we really have tied down and generated an automated switch process. Erik I'm sure there's a few questions that came in throughout that process?

**Erik:** There are, I think you covered a great deal of them. But I'll ask them, or pose them to you anyway. What if the biller is not in your database when the customers trying to set up a switch?

**Cale:** Sure. It will tell them, I could do it within the API, but let's say it's like, Joes Gym right. We'll use XYZ Fitness. So I hit the search, Anytime Fitness pulled up, but XYZ Fitness is not the biller. So I didn't find my biller, I can click here. So XYZ Fitness is different than Anytime Fitness, and so I hit create. So in real time it tells your end user, your account holder that, XYZ Fitness isn't

currently in our database, but don't worry we're going to track them down, and we're going to process your switch with the rest of your request, but if you could help us we'd appreciate it. So your account holder looks at ClickSWITCH and says you know I don't know the city, the state, the zip code, the phone number, but I do know it's [www.xyzfitness.com](http://www.xyzfitness.com). So we're going to process this as normal, we just need to get this information, save it, and now it's ready to be submitted as well.

So this has been red flagged in our database, and we have an individual going out to *XYZFitness.com*, finding the switch process, uploading their change of request form into our database, and this switch is going to go out with the rest of them. So in ten minutes from now if a new account holder logs in to any different switch portal, so we're in Navy Federal, let's say you're in ABC Bank. If you logged into ABC Bank switch portal and search XYZ Fitness, it's now in the database. So the database is robust, it grows every day, that's why we have about 30,000 registered billers within the last six months. Because it grows organically, and it also grows through your bill pay and ACH reports.

**Erik:** A questions come in that, your signatures appearing in a lot of these documents. Can you explain how that signature flows into ClickSWITCH?

**Cale:** Yes. So there's an e-signature process, and when they accept the terms and conditions, it pretty much identifies you the financial institution, and it also accepts the e-signature process. Every biller, every merchant, accepts an e-signature. So when they log in, this signature is going to be blank, and they are required to type in their name right here. So I would type in my name, and I would hit save. And so we now use this signature, and we data drop it onto the forms that are in our database. So this is blank, the first time they log in, it requires them to hit this pencil, and to type in their name and then we data drop an e-signature from there.

**Erik:** Very good. But there is another question. It is, other quick switch programs we've looked at where the customers actually signing a power of attorney for the company to act for them to make these changes. Is this what's happening with ClickSWITCH?



- Cale:** Right. So this e-signature pretty much does give power of attorney to allow ClickSWITCH to in their switch, your end user, your account holder still is going in and they're driving the switch, we're just processing the switch. So all this information is going onto the billers form that they're initiating. So from a power of attorney standpoint, your account holders still going in and telling ClickSWITCH who they want to get switched over, we're just processing the paper work on the back end.
- Erik:** And then are the disclosures for that e-signature available for the consumer to see?
- Cale:** Yes, yes. I just bypassed that. When I logged in I just bypassed, I could've pulled the disclosure up.
- Erik:** Okay. What happens if you do a duplicate request for a switch. One manually, and one through the online banking site?
- Cale:** On production it won't allow you. If it's manually set up and then I click online account data it's red flagged, and it won't allow me. If I added Upper Peninsula manually and then I went into our online account data, this Mint interface, it's red flagged on the back end and you cannot add it through the portal. It cross references it in real time.
- Erik:** Another question going back to the disclosures. Is this something that are boiler plated, or can they be customized?
- Cale:** Customized, absolutely. Yes most of ours are customized.
- Erik:** What happens if our members have issues with Mint reading our accounts?
- Cale:** So that's a good question. It will tell them that--so they do not have to be a Mint user. If they're switching like from a 30, 40, 50 million dollar bank or credit union over to you, there's a chance that we're not going to be able to access it. Because they're probably for or five versions behind in online banking, just from experience. So, Mint we're going to make the account aggregator, we're making the call, but we can't pull the data. It will tell your customer that unfortunately the institution you're switching away from is unable to complete the switch with those actions. So they're going to manually have to go in here and create the switch. That's why we had to

create Redundancy with the biller database, so you can manually add these switches. But our whole goal is to move everybody over to more of an online account data through the Mint interface. But we had to build Redundancy incase that exact situation happened, they can still add their billers one by one through the database.

**Erik:** And we have an integration question here.

**Cale:** Sure.

**Erik:** Does ClickSWITCH interface with online account opening?

**Cale:** Yes, yes. So we built an API that can pull fields, so you open up your account online, ClickSWITCH can make a call, and will pull the data fields, and then we'll auto enroll the user into ClickSWITCH. So, I just opened up an account online, I can now get switched over online in one smooth process. What we'll need to do is we can just set up a call with your online account opening vendor, whether that's your core or third party vendor. We already built that API that pulls the fields, so it's a pretty quick process now.

**Erik:** And what is the standard implementation time for this project?

**Cale:** About 30 to 60 days. And really we're going to move as fast as you want us to move, but you can see it's a pretty quick project. We're going to want to upload your billers, and put them into your biller database, you're going to want to design your site with your logo, and your color scheme, and what not. And then we're going to want to focus on training, frontline staff training. So let's say a new customer walks into a branch, you want everybody on the same page, and you want them into ClickSWITCH because you want to capture that direct deposit right when the accounts open. So we have a training webinar focus group, that we train your bankers and your member service reps how to use ClickSWITCH, and how to capture, and how to switch them over in the branch. So that's all included in about that 30 to 60 days. If you say you know what, I want to be live on July 4<sup>th</sup> then we will put together a project road map, and we'll get you live on July 4<sup>th</sup>, you kind of just tell us when you want to go live.

**Erik:** How many resources on the FI side are required, and what type of resources, what amount of time and data is needed?

**Cale:** There's really no IT resources unless you want to do integration into your core, or online account opening system. If you do a standalone ClickSWITCH it would just reside on your website, and then the only IT resource would be to put a ClickSWITCH link on your homepage, for your new account holder to get switched over. As far as day to day operational work, most of our successful clients had an assigned administrator to ClickSWITCH, whose really driving the growth. Those who assigned an administrator to ClickSWITCH they're seeing results, they're seeing primary account holders.

Those who kind of sit on these webinar calls and say yes it's a cool tool, let's implement it, let's see if it works, you're not seeing the switch results like those who are putting resources into it. So, if you want to be more profitable on your checking account, there's a direct ROI to put a person or two and have them drive and have them answer questions, and kind of the go to ClickSWITCH person within your operation, you're seeing the results there. But like I said if you just want to see where it goes, if you open up 1000 checking accounts, you might see 10% adoption on ClickSWITCH. If you're driving it, you're going to see between 60 to 80% adoption on ClickSWITCH.

**Erik:** Is onsite training provided?

**Cale:** It can be. So we do provide onsite training. And actually those accounts that we went onsite and trained were seeing a lot higher switch rates, so we might try to focus on that more than what--sometimes on the webinar, and it gets more training, it's hard to capture everyone's attention. But that's something that we're defiantly looking into, maybe training mechanisms, going onsite compared to webinar, but it definitely can be.

**Erik:** We do have another signature question here as well. In that, can you input a real signature?

**Cale:** So we can integrate the Topaz e-signatures at branches, we can grab an image from there, and we can data drop it into ClickSWITCH. We've done that with one client, it did require some custom development, but it's actually a really cool tool. So I just opened up my checking account, you turn the Topaz around, or the e-signature machine your signing. We grab that image and then it gets data dropped into the ClickSWITCH portal. So yes definitely possible.

- Erik:** Great. How long does it take for a biller to get included in the database?
- Cale:** Minutes. We go out to their website, we find the change of request form, and then we have a PDF modifier that it gets run through, and then we modify, and we set up the variables on the form. So it's a matter of minutes to get those forms updated and modified in.
- Erik:** And then this may not have been covered earlier in the demo. But if the biller requires the account number how is that handled?
- Cale:** It will pull up as a variable. So I'm going to be really quick, I'll show you. So we find Xcel Energy, we hit create. Now I'm outside of Mint, sometimes when we're in Mint we can pull those account numbers if they're not mapped, a lot of these account numbers from the biller are map. So we'll still require a manual account number entry. So I've found my six digit account number with Xcel Energy, it's pulled all the variables so we hit save. Again this is where all of our IT is come in from, all of our patterns are around this database. Because we're pulling the variable in real time, so we see that we had all the information. This is Xcel Energy's specific form, just like CenturyLink's specific form. We data dropped onto here. But there was a variable to enter your Xcel Energy account number.
- So that's why we had to enter that, because this would be blank if I didn't enter it. So new institution name, e-signature, and we go from there. If you remember on this CenturyLink form, the variable was a phone number. So all these billers, that's why automating the switch process has been so difficult, because every biller looks for a different unique identifier. The account number for CenturyLink is your phone number. So that's why we tell it enter your phone number, that was the variable there. So, that's what we've been able to do with this biller database, is we can pull the variables in real time because we have all the billers specific change request form, and then it just asks for that variable right away.
- Erik:** And then, can the banker whose assisting the new customer check the status of each bill and deposit?
- Cale:** You can yes. So through our interface, we have a real time alert interface. So when we send out this voided check, we ask the biller to go out to

*mybillswitch.com*, and enter their bill TRACK code. So as soon as the biller goes out to my bill switch and enters this code, it changes the status within the portal from submitted processing to completed. So it's a real time interface that ties in the biller, to the customer, to the financial institution. And this actually, it really works. Just a few weeks ago we were switching over a joint checking account to a financial institution in Iowa. And a husband and wife both had Blue Cross Blue Shield. Blue Cross Blue Shield uses the my bill switch interface, the husband on day one, he received an alert notification from ClickSWITCH that says your Blue Cross Blue Shield has been switched.

The wife never received it, so she contacted ClickSWITCH just through support, and said I noticed my husband got switched over right away and mine never did. So we pick up the phone, we track it down, Blue Cross Blue Shield says oh yes that's our fault, we just haven't processed it yet. And then about ten minutes later the wife receives an email notification that her Blue Cross Blue Shield has been complete. What happens without ClickSWITCH in my bill switch, that call doesn't take place, and that switch doesn't take place. But because it is a real online interface, you can tell if something isn't switched or is switched right when it happens.

**Erik:** You may have partially answered the next question just now. But what happens if the payee rejects the form?

**Cale:** So what happens is that will get rejected and it gets sent back to the PO Box that we put on our return address here in Minnesota. We then open up the form, they tell you why it's rejected, we then notify the end user that their CenturyLink form was returned for this reason. You entered your wrong phone number, can you please send us your correct phone number, we make the edit and we send it out. And then they get a new email alert that says your switch will be completed in an additional three to seven days due to the form being returned. So we're on top of all of that, we're pretty much a third party switch facilitator, that's tying in the financial institution, the customer, to make sure the customers not dealing with those issues, and dealing with the returns, we process that and find out why it got returned. Most of the time if they fudge a number, or something's wrong on the form, the billers just picking up the phone and they're calling their customer because they want to get paid. So they're saying it looks like your phone numbers wrong, can you

just give me your correct phone number. So the billers usually handling it before they return it back to us.

**Erik:** We do have a request for you to run through a demo of the account closing process.

**Cale:** Sure. So just follow the instructions, I'm going to close my account. So we built the FI database into--so again I set up Wings Financial under my online account data. I can type in Wings Financial that I want to switch or close the account as well. So it's right here, I hit create. It will data drop all the fields, contact fields, because they're in the data base, it will data drop these fields into here.

But I'll just put in a fake number. You do have to know your routing number and accounting number for the account you're closing. So I just type in my account number, my account type either checking or savings, and I hit save. Okay, now this is ready to go, but you can see it's ready to close, so we can hit submit. When I hit submit it tells me to click a close on date, when do I want to close my account with this FI. So I hit my close on date, notice the first 15 days are masked, so we do not want your account holder to come in here and say I want to close my account on the 8<sup>th</sup>, that would not be good. So it's 15 days, we have not had a switch take longer than 15 days, from initiating the process. So 15 days is a nice safe number, but let's say your account holder wants to close it on the 28<sup>th</sup>, we hit submit, now there's a close on date. So a week before that we data drop onto an account closure form, and if it was Wings Financial we would pull their specific account closure form. If they do not have one, we will just data drop onto a standardized form. So attention Wings Financial etcetera, I'm trying to close my account, here's my account number, routing number. Ten times out of ten this financial institutions receiving this form, they're picking up the phone and they're doing a little sales pitch, trying to have their customer not close their account. But by 15 days out, there's no point not to close it because they can say hey, I've already switched over my payments, and I already set up my direct deposit, there's nothing going in and out of this account, I want to close it. So this is really helping you acquire primaries, and just allowing to discontinue their previous relationship, because with everything that's taken place within this portal on a timely manner.

- Erik:** Thanks Cale. We are approaching the top of the hour, and I want to just reassure everybody if we don't get to all the questions, we will answer them and distribute them accordingly if we're unable to get to them at this time. The next question that we have here is, we'd like to see an example of the admin site.
- Cale:** Oh sure.
- Erik:** That their employees would be able to use.
- Cale:** Sure let me log out of here. So you're going to have different administration levels. Your average member service rep or your average banker, when they get logged into here, we can just look at non client, we'll just use Bank of the West. So this is kind of what their administration site looks like. So you're your admin logs in or your super user, they can come in here, they can customize and design their site. You can reports on your switches, you can look at customer activity, and you can look at your branch activity. When your average banker logs in they can only see customers, and how to enroll a customer, or to look at customer activity. So these would be the users set up, and they could enroll a new customer or edit. So here's the SwitchTRACK code that was generated, just really quick if we go into site, you can look at customization. So this is how easy it is to kick out a production site, so this institution came in, they just typed in their web address into *.ClickSWITCH.com*, they picked the functionality. So they wanted a balance assist which was more of like a switch status, you should have at least \$500.00 dollars in your old account, because ClickSWITCH can see that you have four payments that are going to run within the next five days. So that balance tool is key. SwitchTRACK code forms, allow email alerts. This is just an email alert, you know hey I just got registered, here's my email alert, here's my SwitchTRACK code, you can turn that on or off. Enable intuit functionality, that was the API that I showed, that Mint account aggregator, you can turn that on or off. So I just want to show you that if you didn't like the API and you're worried about security or whatnot, just turn it off. You don't have to leave it on. So, everything's customizable within your site. Same thing goes you upload your main logo, background image, pick your colors scheme, you save it, and then you can kick out a production site pretty quickly. And you can also run reports on switches that have been

unprocessed, awaiting confirmation, rejected, completed, and you can run reports on all four of those together. So these reporting tools have been crucial. Let's say you have a board report coming up and you want to show the efficiencies of ClickSWITCH, you can come in here and you can run a report on your completed switches, and switches awaiting confirmation. This is really helping fine tune and figure out what's going on from a switch perspective.

**Erik:** We do have a pretty quick question here for you. Does this work with business accounts?

**Cale:** It does. So we do business switching as well. We would drive retail traffic to one site, so it would be your institution *.ClickSWITCH.com* for your retail, for your business we would drive traffic to your institution *.BizSWITCH.com*. We don't wait till 3pm to send out forms on businesses, they get it processed in real time. And then sometimes the language, you want your language to be a little bit different, so we can build two different sites, and separate business environment from a retail environment.

**Erik:** And we have time for probably one last question here, and it's probably one of the more popular questions. What is the cost structure?

**Cale:** Do you want me to answer that question, or do you want it to go to your account rep at Harland Clarke?

**Erik:** I say in general the cost structure is, you're charged for each account holder, and it covers all the switches involved with the account. You could have any number of direct deposits, any number of payments, automatic payments, or bill pay payments, covers that one fee for that switch, per account holder.

**Cale:** Right. So you saw me go in, and I added--I had four payments and one direct deposit, it's a flat fee for the user. I could have one payment and one direct deposit, it's a flat fee. I could have 18 ACHs and one direct deposit it's a flat fee. So it doesn't matter the amount, it's just a per user charge that uses ClickSWITCH.

**Erik:** And with that we're at the top of the hour. I want to thank everybody for joining us today. We were unable to get through all of our questions, but as I stated before, every one of our attendees will be able to get a copy of the





presentation, a recording of the presentation, and a list of all the questions that have been answered. If you want additional information please reach out to your Harland Clarke account representative, and they'll be able to assist you with any additional questions you may have. And with that that concludes our web cast today, and again I want to thank everyone for joining us.

**Cale:** Thank you.