



Local Heroes, USA--Payment Solutions Division Executive Summary

Local Heroes Payment Division is a leading provider of safe, secure and discrete e-commerce payment solutions servicing financial institutions, employers, merchants and consumers in several countries. Local Heroes leverages its GeN "X" processing technology to deliver fully integrated payment solutions that meet the most challenging requirements of our clients. Whether a transaction occurs on the internet, with a financial services institution, a healthcare facility or payroll card transaction at a variety of small to medium size employers, Local Heroes has applications and card products to offer our clients these high-value solutions. In conjunction with our bank issuing partners, Local Heroes can offer a suite of financial Applications, including credit, debit, stored value, bill pay, microloans, international remittance and mobile top-up. Plug and play Applications capable of servicing a large and diverse consumer base that are un/under banked.

Local Heroes maintains Agent Agreements with corresponding banks in the U.S., Mexico U.K., Antigua, Costa Rica and the Isle of Man. LHU has relationships with a number of global financial institutions and provides the software necessary to support the issuance, processing and settlement of debit and credit cards throughout several countries. Local Heroes payment solutions are created and designed to enhance the business of our internal Programs and with our ISO's, Sub-agents, Merchants and their customers. Through a network of financial institutions located around the world, Local Heroes can assist companies in either marketing an existing prepaid debit card or assist our client's in developing their own prepaid BIN, (Bank Identification Number). In conjunction with our partners, working directly with Visa and MasterCard, Local Heroes is uniquely qualified to guide companies through the issuance/activation process necessary to launch a variety of prepaid applications to market

PREPAID DEBIT CARD ISSUING LHU issues and processes prepaid debit card cards for a number of global applications. Through our network of financial institutions located throughout the world, Local Heroes can assist companies in either marketing a LHU prepaid debit card or assist the client in developing their own card product. Working with Visa and MasterCard, Local Heroes is uniquely qualified to guide companies through the issuance process to bring a new card to market.

PROGRAM MANAGEMENT Local Heroes issues a series of virtual banking accounts and debit cards that are used by its clients as an added value product to build revenue within their businesses. Many times, these clients are experts in their specific field but do not understand the card business and have no desire to learn. The LHU payment solutions are well suited to handling a large number of applications for its clients. Local Heroes has created some universal solutions "in-a-box" for organizations to bring to their markets in a minimal amount of time to enable them to concentrate on sales and marketing versus payment products, card issuance and the management of these processes.

MERCHANT ACQUIRING Through its relationships with a number of international and domestic banks, Local Heroes has developed a very competitive merchant acquiring business for merchants who transact business globally. In many cases, merchants are forced to use multiple processors because of the broad nature of their business but LHU has brought together a network of partner banks that provide worldwide coverage and attractive acquiring rates to this merchant group.

FINANCIAL CALL CENTER Local Heroes Payment Solutions has created multi-lingual call center operations that are specifically oriented toward the support of financial community. Our centers provide a highly trained staff of people who are quite skilled in all aspects of credit and debit cardholder support and are able to speak clearly and concisely in the language of the caller. The LHU call center provides the highest level of service and operates 24/7 to meet the needs of all cardholders throughout the world.

TECHNOLOGY

Working with our partners and clients, Local Heroes Payment Solutions has created an innovative group of products that deliver tremendous value to financial services companies, merchants and consumers worldwide. Whether it's our always available credit/debit transaction processing product, our merchant acquiring systems or our global prepaid debit cards issued through our partner banks, Local Heroes stands apart from its closest rivals by actively partnering with our customers to deliver value solutions at the best possible cost on a global scale.

THE GeN "X" PROCESSING PLATFORM

The volume of international debit and credit cards continues to grow at a rapid rate fueled by consumer demand and the financial institutions that service their needs. In order to deal with this growth, Local Heroes Payment Solutions has with its partners developed a fully integrated transaction processing environment. The platform was designed from the ground up specifically for financial institutions that issue domestic and international cards and acquire card transactions through merchants at retail locations, on the web or from ATM's. Having been developed over a number of years and used by some of the largest organizations in the world, the platform has evolved to become a secure, flexible and scalable processing system that is easy to implement with very robust management tools and real time transaction authorization and settlement functionality for credit and debit card transactions. In addition to processing millions of Visa, MasterCard, JCB, Discover, STAR and other network transactions, the processing engine provides:

- Credit and debit card issuing capability;
- PIN and Signature based debit card processing;
- Payroll Card Issuance and Management
- Stored Value, Private Label, VIP and Gift Card Programs, (turn-key)
- Card management and authorization;
- Card production and issuance;
- Gateway services;
- Loyalty programs;
- Bill payment;
- Loan programs;
- And a number of other services to enhance the value of the product to the client and their customers.

This fourth generation Processing Platform is truly a revolutionary and is designed to accommodate a growing number of credit and debit card issuing and processing systems while also being deployed to handle other high transaction volume applications including insurance claims, pharmaceutical distribution and other consumer facing applications that require highly responsive, real-time, always available processing. The platform is an excellent replacement system for those traditional hardware intensive platforms that originally formed the basis of the industry but have grown tired, inflexible and expensive to maintain. LHU's processing capabilities is becoming the choice of financial professionals who want to implement a flexible and robust transaction processing solution that is easy to scale and maintain at a cost that is truly affordable over the life of the installation.

PRODUCT & SERVICES

PREPAID DEBIT CARD PROGRAMS

Prepaid Debit Cards offer an opportunity to expand product lines, generate additional revenue and improve service levels. LHU' debit card programs are issued with Visa®, MasterCard® or with PIN based networks and deployed on an international basis. Local Heroes continues to work with its clients to define and develop new prepaid products that can be issued in conjunction with our partner banks and processed in our network centers worldwide. In addition to developing new custom financial card and payroll programs with our clients, Local Heroes has developed a complete product line of prepaid cards to enable our clients to ease into the marketplace with a proven product. This "card-in-a-box" approach offers non-card centric marketing companies the ability to deliver new value to their markets without having to become experts in the financial card issuing business. For example, the Local Heroes international Wallet Card by Visa provides a completely developed payment system that is ready to deliver for any number of applications. This Visa branded payment card can be widely distributed worldwide to a large numbers of individuals to deliver their payroll, commissions or other payments that traditionally have been delivered via check or other less efficient methodologies. Eliminating the need for checks, money orders, costly wires or remittance services, Local Heroes developed this secure bank transfer mechanism to assure money is received on the card on-time, every time when it is due. The Global Wallet by Visa and our other LHU prepaid products can be used for any number of applications including:

- Payroll
- Benefit Payments
- Multi-level/Affiliate Commissions
- Corporate Expense Reimbursement
- Personal Spending
- Remittance
- Incentive

Local Heroes has developed the next generation of on-line payment technology that is used by the consumer to securely and discretely pay for goods and services on the internet without exposing their credit card information to the merchant site. Implemented by the merchant as a payment button on their site, the Local Heroes Virtual Payment System provides them with the ability to accept payments from the consumer knowing that they will always be paid because the funds are verified to be present before the transaction is completed. The Local Heroes system brings the consumer and the merchant together to transact business with a great deal of confidence in knowing that this Local Heroes enabled on-line store is the safest place to do buy goods and services available on the internet today.

CELLULAR PAYMENTS—MOBILE WALLET APPLICATION

Local Heroes has entered into a License Agreement with a leading provider of mobile wallet and mobile banking applications. Together we have completed the integration of a unique application that can allow a consumer or business the ability to exchange money mobile wallet to mobile wallet. Using our transaction terminals, (in a merchant environment) the Platform has the ability to print a receipt at the point of sale, (in real-time) that includes the mobile wallet transaction details. The resulting software will provide a mobile application that can accommodate consumer to consumer and business to business payment transactions that will provide powerful options to traditional cash and check payments. Engaging the mobile wallet application is a simple download to a user handset and is executable online. Other applications that are available on the mobile wallet include bill pay, mobile top-up and international remittance. The mobile wallet facility can be used to send money wallet to wallet, (in local currency), in over 135 countries where we maintain corresponding bank relationships.

LOCAL HEROES GATEWAY

The LHU internet payment gateway enables merchants to process credit and debit card transactions in real time so that the customer knows immediately whether their credit or debit card was approved. The payment gateway captures the credit or debit card transaction, encrypts the data, routes it to credit card processor and then returns an approval or a decline to the merchant. The Local Heroes gateway is a robust system that authorizes, settles and reports on the results of every credit and debit transaction going through the system. The LHU gateway is a very robust platform handling an unlimited number of transactions simultaneously while performing risk analysis and fraud checks as they go through the system. The gateway provides the merchant with a secure approach to managing a high volume of transactions from a variety of sites and locations wherever they may be located in the world.

LOCAL HEROES INTERNATIONAL WALLET POWERED BY VISA

Local Heroes International Wallet is a global prepaid debit card program that has been rolled out around the world to satisfy a number of payment applications for our and our partner's clients. This continually developing product is sponsored by Visa, issued by partner banks and processed through our partner network. The International Wallet by Visa and MasterCard is used for applications such as MLM payments, remittance, personal spending and others. This card is used throughout the world by a number of companies who have recognized the value of entering into a long-term relationship with LHU to manage all of the logistics, card processing and issuing for their companies and affiliates.

Transferring funds from one person to another, across country borders presents a challenging, costly and risky proposition if not managed properly. The need for an effective, cross border remittance option is significant. The un-banked or under-banked face a myriad of challenges when sending, what's estimated to be, in excess of \$250 billion dollars in funds per year between countries. This number is made up of any number of money transfer opportunities including:

- Immigrants sending money home;
- Migrant workers on temporary contracts; Payroll products
- Students receiving parent subsidies or grant money;
- Travelers receiving emergency cash;
- Gifts sent to people abroad.

The traditional money transfer services are typically expensive for both the sender and receiver and require that the sender remit cash to the money transmission company which also makes

them vulnerable to loss or theft. Local Heroes Payment Solutions has created a safe, secure and convenient approach to sending funds across borders using a prepaid debit card account and the Visa and MasterCard networks. The sender can have his paycheck directly deposited to the card for use as his personal spending account and also to send money to a family member in another country. The sender can either send another card to the recipient of the transfer or they can specify a transfer location where the funds can be conveniently picked up abroad. Funds can also be loaded to the card on the internet or at several thousand retail and banking locations worldwide. A person wanting to send funds, can pick up the phone and call an integrated voice response system, go on the internet or, via a mobile phone, initiate the transfer to another card or location. The transfer of funds is instant and can be used immediately.

OVERALL PRODUCT STRATEGY

It is Local Heroes strategy to build a strong brand in all areas of the payments industry. At present, LHU has developed brands on its own and in partnership with our clients leveraging Local Heroes debit, credit and merchant acquiring processing centers, as well as, the global network of financial institutions who partner with LHU to deliver value to its customers. This strategy allows Local Heroes to develop highly visible "branding platforms" aimed at the corporate, merchant and consumer markets that provide high value solutions that will become the basis for LHU' strong product portfolio growth in the future.

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