



Gavin Newsom
Mayor of San Francisco
City Hall, Room 200
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Dear Mr. Newsom:

Thank you for taking the time to meet with Local Heroes and to review the enclosed documentation. As per your office's request, I have attached a summary of the technology that will operate the Homeless Program that we discussed in our meeting. The GeN "X-2" Platform is designed to process, authorize, audit and store real-time electronic transactions just like a standard bank terminal. Local Heroes International has recently completed certification of this technology and it is now ready for immediate deployment. The Platform can, (in seconds), deliver unique value-added transactions to individuals located at any point of sale location, or "TouchPoint", all in real-time. Transactions are settled using existing EFT payment's software, communication infrastructure can be triggered by any electronic cash register, countertop credit card terminal or handheld device.

The application of the GeN "X" Technology as it relates to the City of San Francisco and surrounding Bay Area Counties is quite simple and is part of Local Heroes' intention for our Humanitarian Division. San Francisco could become the operational pilot and model city for other like programs to operate in markets in the US and eventually in other countries around the world.

The business model that we envision is to distribute the City of San Francisco's current assistance programs **electronically** to all persons currently receiving benefits. A membership card with that is magnetically encoded, (that also bears the picture of the person), would be distributed to all program participants. As per your mandate and the framework of your Care Not Cash initiative, participants could include the homeless, teachers, (of which we have developed a separate program model), city employees and the working poor of San Francisco and surrounding counties. This program would guarantee that **only** the person pictured on the card could receive the benefits being distributed. Participants could no longer trade their food stamps or spend cash now received, for drugs, alcohol, cigarettes or other illicit forms of behavior as those controls could be implemented at the point of sale.

This distribution process and Business Model would eliminate tremendous administrative overhead and accountability issues that is inherent in the current food stamp program and become a much more efficient way to distribute cash, medical and drug treatment, housing/boarding and psychological assistance without the need for actual cash/check disbursements, coupons or vouchers. The program database would automatically distribute customized reports daily, weekly and monthly as required, of all the programs activity on a

merchant and cardholder basis with extensive data-mining capabilities to maintain the programs optimal effectiveness and operation.

The database can even print instant messages on the merchant receipt to inform cardholders of new businesses that become available or new assistance programs being offered. Along with the program card, participants receive a wallet size directory and laminated locator card of participating merchants, service organizations and other essential information and phone numbers relevant their specific lifestyle conditions. Please see the enclosed material for other value-added applications (e.g. electronic gift cards) that are available to participating merchants based on having the program terminal at their location(s).

As part of a loyalty concept, merchants could award cardholders with points, (1 point equal to \$1) based on a percentage they set of the assistance dollars being spent at their location(s). Merchants could then do their part in giving something back to the program and the value would become instantly available to the program member.

Simply stated the model would eliminate the requirement to distribute cash, food stamps, coupons and vouchers, but rather all the city's assistance & benefits would be stored by cardholder account in a centralized database and be available anytime to the individuals selected to receive such benefits. Through an electronic settlement process or ACH (automated clearing house), funds are transferred to merchant's bank account on the following business day. All funds whether distributed directly by the city or directed by the donor community are held in trust by a designated agency of the city's choosing.

Further, the electronic benefits could be increased, (at no cost to the city), through Local Heroes web interface. These funds could be directed to the homeless and working poor of San Francisco by high net-worth individuals, (possibly some that were supporters of your campaign for mayor), local and national charities, local businesses, community groups, grants, multinational corporations and from governments in any country around the world. This process simply requires the donor to access the program website, select the desired cardholders and amount to be distributed and once funds have been verified, the cardholder accounts are instantly updated and value is loaded on their card. Donors can use credit, debit, personal or business checks as a form of payment. Utilizing our processing interface, the Platform has the ability to convert currencies in real time of the country where the donation originates. All donations are 100% accountable to the donor, including the ability to receive tax receipts and on-line statements of precisely how every dollar is spent.

Another application of the Platform would address the panhandling problem in the City. Instead of begging local residents and tourists for money, homeless residents could hand out a business style card that includes program information, their name and ID number. If desired, the person could then send them any amount of money via the program website, (from anywhere) and they can be certain that 100% of their donation will be spent responsibly. Or as an alternative a Program Gift Card (in any denomination) could be purchased at strategic locations around the City. Residents and Tourists could purchase these cards and give them instead of cash, and the cards would be accepted at any Merchant in the Program. This concept we believe would significantly reduce the existing panhandling problems in and around San Francisco.

Based on this model, local government and any other participating donor(s) would be assured that the benefits are 100% being directed to the persons targeted to receive the assistance. Through the program website donors can access a complete accounting of how every dollar was utilized and view information about the different programs, agencies and

actual beneficiaries. They would be able to see firsthand the positive impact on the lives of the people affected by the Programs. Local Government would have 100% control over who qualifies as a participating merchant or service. The City could set stringent criteria for acceptance of these businesses to the Program. Grocery or Convenience Stores could be blocked from the sale of cigarettes and alcohol to Program cardholders.

Based on extensive market research, Local Heroes is certain that hundreds of businesses (small and large) would be eager to join the assistance Program. We believe it creates a win/win/win scenario, as merchants, cardholders and the City. Merchants that participate, donors, small businesses, large corporations and government agencies could receive some form of accommodation and recognition from the City for their participation and financial support of the Program.

As a fifth generation San Franciscan, (something I think we share common), it has truly been a pleasure volunteering for your campaign and meeting you and members of your staff. Thank you again for your time in reviewing the enclosed material. At your convenience, Local Heroes is ready to perform a live demonstration of the technologies and program model as outlined above. I look forward to hearing from you soon.

Best Regards,

LOCAL HEROES INTERNATIONAL

Richard Trieber

Richard Trieber
Founder/President