



The Consumer Risk Management Experts



PAYDAY EXPRESS "PLUS"

3 / 6 / 12 Month Finance Program



JULY 2012
PROGRAM RELEASE NOTES



Payday Express “Plus”

3, 6 & 12 Month Financing Program

Payday Express “Plus”

1. Offers “consumer” financing options of 3, 6, and 12 months
2. Requires only a single voice authorization call to obtain approval (5 minute average) and then, subsequent to approval, electronic entry into the pos device/imager.
3. Requires only a single check for the down payment allowing for SPS to initiate electronic ACH debits for the remainder of the items based on the term selected.
4. Provides for a “guarantee” against dishonor of the down payment check or subsequent electronic debits.
5. Offers the merchant the capability to select during each transaction from any of three financing term options, or in the alternative to hide such multiple options from the terminal display for those merchants who only opt to have one financing term option available.
6. Offers the merchant the capability to select during contract signing the ability to have SPS either (a) advance fund the settlement amount (less fees) within 3 business days of a batch closing (where a batch closing can be initiated by the SPS host servers to eliminate store involvement) or (b) settle funds with 3 business days subsequent to each deposit date (which is in 30 day intervals from the initial down payment).
7. Includes a Payday Consumer Security Agreement (“PDSA”) executed between the merchant and consumer agreeing upon the terms that reflects the down payment check amount, the number of recurring debits based on the term selected, and the amount of each subsequent debit. A sample PDF is attached for reference though a two-part, MICR encoded form provided by SPS is actually used for scanning during a transaction.
8. Has an initial payment (the “down payment” check) that is not less than **25% of the total** with the balance being split and debited evenly over 3, 6, or 12 months depending on the term selected (i.e. 25% down plus either 3, 6, or 12 debits for the balance due in approximate 30 day increments from the transaction date).
9. Provides for an easily understood, printed terminal receipt to show the (a) entire deal amount and (b) the amount of the 1st check, the check #, and \$ amount, and (c) the # of remaining recurring electronic debits and (d) the amount of each electronic debit as well as a Grand Total .



Payday Express "Plus" 3 / 6 / 12 Month Financing Program

10. Improves the user experience by modifying the terminal display / user interface to prompt the store associate to do the following:
- a. Input the customer information (license #, date of birth, SSN, etc. as is done today)
 - b. Select the financing period (3, 6, or 12 months)
 - c. Enter the entire transaction amount (inclusive of any fee the merchant desires to add on as an "application" fee)
 - d. Enter the check # (of the initial down payment)
 - e. Enter the check amount (of the initial down payment)
 - f. Confirm the # of remaining payments and amount of each payment that is automatically calculated and displayed by the terminal on behalf of the store associate
 - g. Scan the check thru the imager
 - h. Scan the consumer security agreement form

PRICING NOTES

- **Set Up Fee:** \$195 per location (any client with more than 10 locations will get a custom quote on this item)
- **Annual Subscription Fee:** \$95 per location (any client with more than 10 locations will get a custom quote on this item)
- **Transaction Approval Fee:** \$2.95 per item in an approved financing deal (12 month term would therefore calculate as 13 items @ \$2.95 each)

Discount %: The % is based on the limit selected up-front during the merchant contract signing.

CERTIFIED EQUIPMENT

- Primetrex One (Integrated POS terminal / imager)
- Verifone Omni 37xx or VXxxx / RDM Imager Combination



MARKETING ACCESSORIES

- A Counter Tent (applicable to various selected industry types) is sent in the merchant starter kit to show 3, 6, and 12 month In-House Financing Options. Sample industry specific counter tents are shown in an attached PDF.

MERCHANT ADDENDUM

- A sample merchant addendum is attached for your review. Please note that all spaces and/or check boxes must be filled in otherwise the agreement may be pended as being incomplete.

PAY DAY SECURITY AGREEMENT

- A sample consumer security agreement (executed between the merchant and the consumer) is attached for your review. Please note that a warranty may be subsequently invalidated if the agreement is not fully and properly completed during the transaction.

POS TERMINAL RECEIPTS

- Sample POS terminal receipts are attached for your review displaying each of the 3, 6, and 12 month options.



Sample Receipts Express Plus 3, 6, 12

Sample 3 Month

TEST MERCHANT
1234 MAIN STREET
SAN DIEGO, CA 92111
(888) 549-9881

02/06/12 09:46 AM

PAYDAY EXPRESS

Terminal : ZXXA1
Batch : 003632210
Routing : 122000247
Account : XXXXX8899
Check # : 5936
Item # : 054197423

Down Payment Amount \$ 323.75

PLUS:

Each ACH Debit \$ 323.75
of ACH Debits X 3

Total All Debits \$ 971.25

GRAND TOTAL \$ 1,295.00

ALL ITEMS WILL BE ELECTRONICALLY PRESENTED EITHER IN THE FORM OF A CHECK IMAGE OR ACH DEBIT. THE FIRST ITEM WILL BE DEPOSITED IMMEDIATELY. SUBSEQUENT ITEMS WILL BE ELECTRONICALLY PRESENTED BEGINNING NEXT MONTH ON THE SAME DATE AS TODAY AND CONTINUE THEREAFTER EACH MONTH UNTIL PAYMENT IS RECEIVED IN FULL. CUSTOMER AGREES TO A SERVICE CHARGE OF \$25 OR THE MAXIMUM PERMITTED BY LAW TO BE DEBITED EITHER ELECTRONICALLY OR BY PAPER DRAFT IN THE EVENT ANY ITEM FAILS TO CLEAR WHEN PRESENTED TO CUSTOMER'S BANK PURSUANT TO THIS TRANSACTION.

THANK YOU!
PLEASE COME AGAIN!

www.securepaymentsystems.com
888-313-7842

Customer Copy

Sample 6 Month

TEST MERCHANT
1234 MAIN STREET
SAN DIEGO, CA 92111
(888) 549-9881

02/06/12 09:49 AM

PAYDAY EXPRESS

Terminal : ZXX98
Batch : 003631593
Routing : 122000247
Account : XXXXX8899
Check # : 1222
Item # : 054197482

Down Payment Amount \$ 362.50

PLUS:

Each ACH Debit \$ 181.25
of ACH Debits X 6

Total All Debits \$ 1,087.50

GRAND TOTAL \$ 1,450.00

ALL ITEMS WILL BE ELECTRONICALLY PRESENTED EITHER IN THE FORM OF A CHECK IMAGE OR ACH DEBIT. THE FIRST ITEM WILL BE DEPOSITED IMMEDIATELY. SUBSEQUENT ITEMS WILL BE ELECTRONICALLY PRESENTED BEGINNING NEXT MONTH ON THE SAME DATE AS TODAY AND CONTINUE THEREAFTER EACH MONTH UNTIL PAYMENT IS RECEIVED IN FULL. CUSTOMER AGREES TO A SERVICE CHARGE OF \$25 OR THE MAXIMUM PERMITTED BY LAW TO BE DEBITED EITHER ELECTRONICALLY OR BY PAPER DRAFT IN THE EVENT ANY ITEM FAILS TO CLEAR WHEN PRESENTED TO CUSTOMER'S BANK PURSUANT TO THIS TRANSACTION.

THANK YOU!
PLEASE COME AGAIN!

www.securepaymentsystems.com
888-313-7842

Merchant Copy

Sample 12 Month

TEST MERCHANT
1234 MAIN STREET
SAN DIEGO, CA 92111
(888) 549-9881

02/06/12 09:47 AM

PAYDAY EXPRESS

Terminal : ZXX99
Batch : 003632213
Routing : 122000247
Account : XXXXX8899
Check # : 6059
Item # : 054197437

Down Payment Amount \$ 375.00

PLUS:

Each ACH Debit \$ 93.75
of ACH Debits X 12

Total All Debits \$ 1,125.00

GRAND TOTAL \$ 1,500.00

ALL ITEMS WILL BE ELECTRONICALLY PRESENTED EITHER IN THE FORM OF A CHECK IMAGE OR ACH DEBIT. THE FIRST ITEM WILL BE DEPOSITED IMMEDIATELY. SUBSEQUENT ITEMS WILL BE ELECTRONICALLY PRESENTED BEGINNING NEXT MONTH ON THE SAME DATE AS TODAY AND CONTINUE THEREAFTER EACH MONTH UNTIL PAYMENT IS RECEIVED IN FULL. CUSTOMER AGREES TO A SERVICE CHARGE OF \$25 OR THE MAXIMUM PERMITTED BY LAW TO BE DEBITED EITHER ELECTRONICALLY OR BY PAPER DRAFT IN THE EVENT ANY ITEM FAILS TO CLEAR WHEN PRESENTED TO CUSTOMER'S BANK PURSUANT TO THIS TRANSACTION.

THANK YOU!
PLEASE COME AGAIN!

www.securepaymentsystems.com
888-313-7842

Merchant Copy

Sample Finance

Sample Healthcare

Sample Purchase

*Processing fee may apply. Not all individuals may qualify. Secure Payment Systems provides underwriting services.

*Processing fee may apply. Not all individuals may qualify. Secure Payment Systems provides underwriting services.

*Processing fee may apply. Not all individuals may qualify. Secure Payment Systems provides underwriting services.

Now you don't have to wait until you save up for a down payment or drain your bank account! Take advantage of this **"INTEREST FREE"** short term financing option... simply by using your checking account!

Now you don't have to fund everything up front... or drain your bank account! Take advantage of this **"INTEREST FREE"** short term financing option... simply by using your checking account!

Now you don't have to fund everything up front... or drain your bank account! Take advantage of this **"INTEREST FREE"** short term financing option... simply by using your checking account!



Now you have the ability to defer your down payment over 3, 6, or 12 months using only your CHECK book... without the hassle of a finance company...

Now you have the ability to defer your healthcare costs/ deductible over 3, 6, or 12 months using only your CHECK book... without the hassle of a finance company...

Now you have the ability to defer the purchase price over 3, 6, or 12 months using only your CHECK book... without the hassle of a finance company...

"IN-HOUSE FINANCING TERMS"
WE NOW OFFER
**ATTENTION CUSTOMERS
DON'T DRAIN YOUR BANK ACCOUNT!**

"IN-HOUSE FINANCING TERMS"
WE NOW OFFER
**ATTENTION CUSTOMERS
DON'T DRAIN YOUR BANK ACCOUNT!**

"IN-HOUSE FINANCING TERMS"
WE NOW OFFER
**ATTENTION CUSTOMERS
DON'T DRAIN YOUR BANK ACCOUNT!**

"IN-HOUSE FINANCING TERMS"
WE NOW OFFER

"IN-HOUSE FINANCING TERMS"
WE NOW OFFER

"IN-HOUSE FINANCING TERMS"
WE NOW OFFER

Now you have the ability to defer your down payment over 3, 6, or 12 months using only your CHECK book... without the hassle of a finance company...

Now you have the ability to defer your healthcare costs/ deductible over 3, 6, or 12 months using only your CHECK book... without the hassle of a finance company...

Now you have the ability to defer the purchase price over 3, 6, or 12 months using only your CHECK book... without the hassle of a finance company...



Now you don't have to wait until you save up for a down payment or drain your bank account! Take advantage of this **"INTEREST FREE"** short term financing option... simply by using your checking account!

Now you don't have to fund everything up front... or drain your bank account! Take advantage of this **"INTEREST FREE"** short term financing option... simply by using your checking account!

Now you don't have to fund everything up front... or drain your bank account! Take advantage of this **"INTEREST FREE"** short term financing option... simply by using your checking account!

Ask a salesperson how to take advantage of this!

Ask the front desk personnel how to take advantage of this!

Ask a salesperson how to take advantage of this!

*Processing fee may apply. Not all individuals may qualify. Secure Payment Systems provides underwriting services.

*Processing fee may apply. Not all individuals may qualify. Secure Payment Systems provides underwriting services.

*Processing fee may apply. Not all individuals may qualify. Secure Payment Systems provides underwriting services.

By this "Pay Day Express" Agreement ("Addendum"), the following terms are added to or modify that Services Agreement ("Agreement") by and between Secure Payment Systems, Inc. ("SPS") and the undersigned ("Subscriber"), to which this Addendum is attached:

1. Transactions - This Addendum is effective on the later of _____, 201__ or the effective date of the Agreement and applies to authorizations requested by Subscriber for a single, consumer originated transaction consisting of a single personal check payable immediately and up to a maximum of twelve (12) subsequent preauthorized electronic debits or drafts (the "Transaction") for payment in full of Subscriber's goods or services. In the event such Transaction is solely for the down payment of a new or used automobile, motorcycle, recreational vehicle, or sailing vessel (hereinafter collectively defined as "Motor Vehicle") then Subscriber agrees that such down payment shall not exceed twenty-five (25) percent of the purchase amount of the vehicle. To be eligible for warranty coverage, and except where prohibited by law, the Transaction must be submitted pursuant to an executed, unaltered and completed Pay Day Security Agreement ("PDSA") in the form attached to this Addendum attached as Exhibit A. All Pay Day transactions must comply with the terms of the Agreement, the attached PDSA and this Addendum. In connection with this application and approval thereof, Subscriber, by their signature below, authorizes SPS or its agents to procure bank statements and investigative consumer reports and understand that such reports may contain information about professional and personal financial stability, background, character, and reputation.

2. Fees - The warranty discount % fee is replaced in its entirety by the following: For each Pay Day Express / Express Plus Transaction, a discount % fee as shown below in Paragraph 4 (except for December during which an additional 1.0% shall apply) plus \$2.95 per item that shall be applied to the initial check and each subsequent debit/draft anticipated by the deferred payment term selected. Payday Express discount % fees and Transaction fees shall be deducted out of settlement fees due Subscriber. Voice authorization fees are waived in their entirety. Subscriber agrees to a one-time Set-Up Fee equal to \$ _____ as well as an annual subscription fee of \$ _____ upon each anniversary of this Agreement. In consideration of the discount fees shown in Paragraph 4 below, Subscriber additionally agrees to a Transaction limit of \$ _____ and monthly minimum processing fee of \$ _____.

3. Limited Warranty

3.1 - Subsection 6 of the Agreement is supplemented by the following:

- (ix) Subscriber complies with all terms and conditions set forth in the PDSA and submits such PDSA along with any warranty claim when required.
- (x) The check writer has (a) both legal and physical possession of the goods being purchased or (b) has received the services being purchased.
- (xi) The date of the initial check recorded on the PDSA is the same as the purchase date of the goods/services and the date of authorization.
- (xii) The sum of the initial check and all subsequent debits of the same Transaction shall not exceed the Transaction limit shown above in Section 2.
- (xiii) The initial personal (non-commercial) check shall be equal to at least one fourth (25%) of the total value of the transaction.
- (xiv) The Transaction must be called in to the SPS voice authorization center (using the specified SPS merchant number reserved for Pay Day transactions) at one time as the total value of the Transaction. SPS shall own the entire interest in the Transaction and, as such, the sale may only be consummated by the manner described above and not be augmented by any other non-cash related payment method such as credit/debit card or other lending or deferred payment option. Despite authorization received, only one Pay Day contract per family is permitted at any one time while any check or electronic debits are still outstanding for deposit, and for a sum not to exceed that stated in (xii) above. Claims arising from subsequent Pay Day Transactions of the check writer or the check writer's spouse or dependent children while any of the check writer's Pay Day checks or debits are not yet fully deposited and honored by the check writer's financial institution, even if such subsequent transactions of the check writer or check writer's spouse or dependent children are drawn on different checking accounts, shall be dishonored for warranty and charged back to Subscriber's account. Subscriber agrees that check images must be transmitted on a daily basis, PDSA images must be transmitted on a daily basis, check batches must be closed on a daily basis, and check images must include the front and backside of the original physical instruments being presented. The absence of either or all of a daily batch closing, check image, or PDSA image shall constitute a breach of the warranty terms and conditions for that given Transaction and a chargeback to Subscriber's bank account will follow and/or reimbursement subsequently denied. In no event will SPS honor a warranty where, in its sole discretion, SPS determines that the limit specified in (xii) above has been circumvented by splitting a business transaction into separate parts so that each part is equal to or below that specified in (xii) or where the check writer is not present and in front of the Subscriber. Subscriber agrees to indemnify and hold harmless SPS from a cause of action brought by a customer or for penalties arising from a regulatory authority arising out of Subscriber's actions of adding a fee to the Transaction total so as to recoup SPS' charges outlined in Section 2 above.

3.3 - Subsection 6 is modified by the bold type as follows:

(iii) ... where Subscriber has called SPS for approval on more than one check per business transaction ("**excepting Express/Express "Plus" transactions where a single transaction approval shall cover the initial check and subsequent electronic debits or drafts.**" where the check was previously denied authorization ...

6. SPS warrants the accuracy are strictly met. SPS agrees to purchase from Subscriber one check per business transaction, "**or, if a Pay Day Express / Express "Plus" Transaction, up to 1 check plus its' associated electronic debits per business transaction.**" for which an SPS approval proved inaccurate and (b) only include a transaction for the concurrent **sale of goods to a purchaser who is also the check writer** and where such goods are subsequently "**neither**" returned to Subscriber "**nor repossessed.**" Subscriber's exclusive remedy....

4. Subscriber acknowledges (a) that there are multiple processing options with respect to the Pay Day Express / Express "**Plus**" service, and is making a selection by checking the boxes provided below and (b) that SPS makes no representations or warranties with respect to voice authorization duration and/or the number or percentage of Subscriber Payday applicants that shall be approved as that may differ materially from Subscriber to Subscriber based on Subscriber's volume, internal check acceptance policies, and individual characteristics of each check writer.

Select One: Express or Express "Plus" (advance funding)

- Payday Express** SPS credits Subscriber's account on the 3rd business day following each consumer debit (reduced by fees per Section 2)
- Payday Express "Plus"** SPS credits Subscriber's account in full (reduced by fees per Section 2) on the 3rd business day following a batch close

Select the Term (Choose All That Apply)

- 90 Day Program** _____ %
- 6 Month Program** _____ %
- 12 Month Program** _____ %

Discount % Fee

5. Definitions and Conflicts: All terms not specifically defined in this Addendum shall have the same meaning as in the Agreement. In the event of a conflict between the terms of this Addendum and the Agreement, then this Addendum shall control.

Accepted By: _____

SECURE PAYMENT SYSTEMS, INC.

Subscriber Business Name

Printed Owner/Officer Name

SSN #

Printed Name

Title

Signature

Title

Signature

Not valid and binding until approved by an Authorized Manager of Secure Payment Systems

PAYDAY "EXPRESS PLUS" SECURITY AGREEMENT

The undersigned Purchaser ("Purchaser") and service provider ("Merchant") agree as follows:

1. All information contained in or made a part of this Security Agreement ("Agreement") is true and correct.
2. Purchaser agrees that Merchant may request authorization from Secure Payment Systems, Inc. ("SPS") for the entire value of the transaction which is comprised of a down payment check and subsequent electronic debits or drafts equal to the number of months over which the merchant is electing to defer the purchase, and understands that if authorized, SPS may be obligated to reimburse Merchant in the event they are not honored by Purchaser's financial institution when presented. Merchant acknowledges receipt of the check listed below from Purchaser. Purchaser approves of SPS obtaining and considering Purchaser's personal credit information for the purpose of making authorization decisions. Merchant and Purchaser agree that the down payment check shall be deposited the next banking day after the purchase date as an electronic image, and shall be of an amount equal to not less than twenty-five (25) percent of the sum total value of the transaction. Merchant and Purchaser agree that (1) the remaining electronic debits or drafts originated by SPS on behalf of the Merchant shall each be of the equivalent amount to cover the balance due for the term selected and (2) shall be electronically deposited in thirty (30) day intervals* after the purchase date and (3) that Purchaser may not execute an additional Payday Express Plus contract during such period when an existing contract is not yet paid in full.

| Check # | Check Amount | Check Date | Deposit Date* |
|---------|--------------|------------|------------------|
| _____ | \$ _____ | _____ | immediate |

| | | | |
|-------------------------|----------|---|-------|
| Each Debit Amt | \$ _____ | # of Debits: | _____ |
| Total All Debits | \$ _____ | * 30 day deposit intervals may vary by 1-2 days | |

Grand Total \$ _____ **Term:** 3 mo 6 mo 12 mo

3. Purchaser represents, warrants, and guarantees that the above down payment and electronic debits/drafts will be honored and paid by Purchaser's financial institution when presented, and authorizes SPS and/or Merchant to deposit (and re-deposit) such items via electronic ACH debit, paper draft, or image replacement document on or after the deferred deposit dates. Purchaser agrees to pay SPS the face amount of any check, debit, or draft not honored by Purchaser's financial institution along with a service charge of twenty-five dollars (\$25.00) or the maximum allowed by state law, plus interest, penalties, collection costs, and reasonable attorney's fees.

4. SPS is an intended beneficiary of this Agreement, and the parties agree that this Agreement shall be governed by the laws of the State of Nevada. Venue for any action arising out of this Agreement to which SPS is a party shall be in a state court of competent jurisdiction in Clark County, Nevada.

5. If there is a conflict between any part of this Agreement and any present or future law or regulation or act (State or Federal), the part of this Agreement that is so affected shall be modified only to the extent necessary to bring it within the requirements of such law or regulation or act.

| | |
|---|---------------------------------------|
| Purchaser Printed Name: _____ | |
| Street Address (no PO Box) _____ | |
| City _____ | State _____ Zip _____ |
| Social Security Number : _____ - _____ - _____ | Birth Date ____ / ____ / ____ |
| DL / State ID # _____ | State of ID _____ |
| Home Ph: _____ - _____ - _____ | Work Ph: _____ - _____ - _____ |
| Employer Business Name: _____ | Yrs Employed: _____ |

| |
|---|
| Merchant Business Name: _____ |
| Merchant Salesperson Printed Name : _____ |
| Merchant Salesperson Signature: _____ |
| Purchaser Signature: _____ |
| Today's Date: ____ / ____ / ____ (mm /dd / yy) |

white copy is merchant copy / yellow copy is customer copy

0516