



MORE CHECKS....SAME-DAY FUNDING!

ELECTRONIC CHECK SERVICES

CHECK21.COM, LLC.
www.check21.com

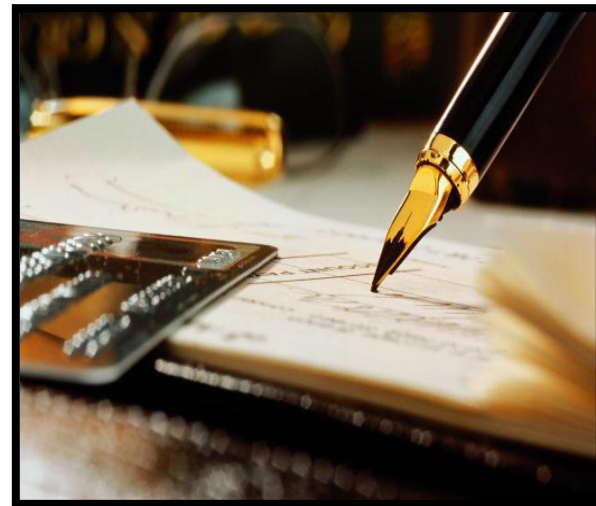
CHECK21.COM, LLC
3389 Sheridan Street
Suite #503
Hollywood, FL 33021

E-Mail: Info@Check21.com

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Quick Overview

- **Clear much more checks electronically:**
 - Cashier Checks
 - Money Orders
 - Business Checks
 - Personal Checks
- **Receive funds quicker:**
 - All transactions before 6PM received same-day!
- **Lowers monthly chargeback's:**
 - Requires client to visit branch to dispute transaction.
 - Client has only 40 days to dispute transaction.



The **patent pending** Check 21 solution will be the **first technology** of its kind which will allow merchants to **take advantage of features** not available through any other electronic check technology.

Understanding Check 21

The Check Clearing for the 21st Century Act (or Check 21 Act) is a United States federal law (public Law 108-100) enacted into law October 28, 2003 by the 108th Congress. It took effect one year later, on October 28, 2004. The law allows the recipient of a paper check to create a digital version, thereby eliminating the need for further handling of the physical document. It paves the way for the industry to save billions of dollars and increase the speed in which checks are processed.

Consumers are most likely to see the effects of this act when they notice that certain checks are no longer being returned to them with their monthly statement even though other checks are still being returned. Another side effect of the law is that it is now legal for businesses to use a computer scanner to capture images of checks and deposit them electronically, a process known as remote deposit.

Advantages of Check 21 Services

There are several advantages to using the Check 21 Service. Its patent pending technology enables merchants to directly communicate electronically with their supported banks. This in turn allows merchants to take advantage of the following benefits:

- **Same day funds** availability if transaction occurs before 6PM EST at a minimal surcharge.
- Faster **notification of returned items** (1 business day vs. 7-10 days in paper form).
- **Lowers** the amount of **monthly chargeback's**.
- Direct **Merchant-to-Bank transaction** submissions. Funds are strictly controlled by the merchant and their participating bank.
- Negative check database and **funds verification** of transactions both automated and manual.
- **Direct to Fed Line** allows for the **acceleration** of check clearing.
- Automated method to **capture the dollar amount** on the check and **reduce entry time and errors**.
- **Eliminates** the need to **stand in line** at your local bank.
- Ability to **access and retrieve check data, images**, and payment status **24 hours a day 7 days a week**.

Check 21 vs. ACH!

The differences between ACH and Check 21 can have a significant impact on the way you do business. Compared to ACH, Check 21 is a far greater service and technology for business to business use or business to consumer use.

1. Payment to Merchant:

- ACH: Payment sent to merchant by ACH broker.
- Check 21: **Payment sent direct to merchant** by clients bank same-day. No middleman or broker receives funds.

2. Payment to Electronic Check Provider:

- ACH: Service fees are removed by ACH Broker before any payment to merchant is made.
- Check 21: **Service fees are sent by merchant** to Check21.com, L.L.C.

3. Eligible Transactions:

- ACH: Consumer Checks Only.
- Check 21: **Business Checks, Personal Checks, Cashier Checks, and Money Orders.**

4. Dispute Type:

- ACH: A consumer can dispute a transaction by phone.
- Check 21: **A consumer must visit his local bank branch** and fill out a dispute form or affidavit with his claim.

5. Dispute Window:

- ACH: Consumers have 60 days to dispute any transaction.
- Check 21: Consumers have only **40 days to dispute** any transaction.

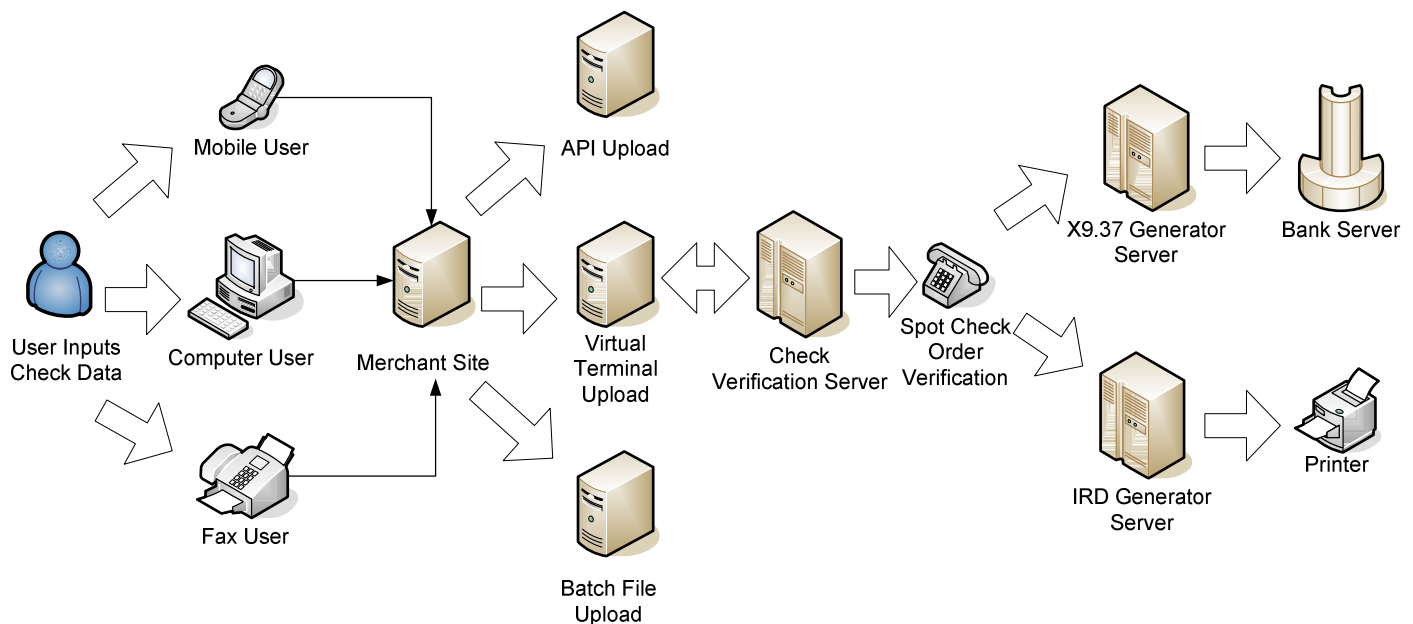
How Can Using The Check 21 Service Help You?

- All **GROSS payments will be received** by the merchant **direct** from client banks **DAILY**.
- The **merchant continues** his already long standing **relationship with the bank** which the Check 21 transactions are being deposited to.
- The amount of **charge backs will be significantly lowered** due to the customers inability to charge-back by phone. Most banks will require customers to dispute charges at their local branch.
- The **amount of returned items (NSF's) will be lower** due to the ability of funds to be transferred quicker from the bank of withdrawal to your participating bank.
- **All transactions are checked against the national check database** for negative information and are **verified for funds** if available through the **ATM network**. All checks which have been approved by both tiers will then be sent to our third tier for live verification. This process unlike solely automated verification, can reduce NSF's by 95%.

How Does Check 21 Work?

The Check 21 Service directly links a merchant with their participating bank. This allows merchants to securely send their checks/ transactions through the Check21.com system in real-time.

However, before a transaction is submitted to the participating bank for processing, it passes vigorous verification processes. Such processes may include negative check database lookup, fund verification, or account verification. At times, to protect both the merchant and the bank, order verifications may take place.



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Applying for the Check 21 Service.

Any merchant who has interest in applying for the Check 21 Service can do so by contacting their local reseller or sales representative.