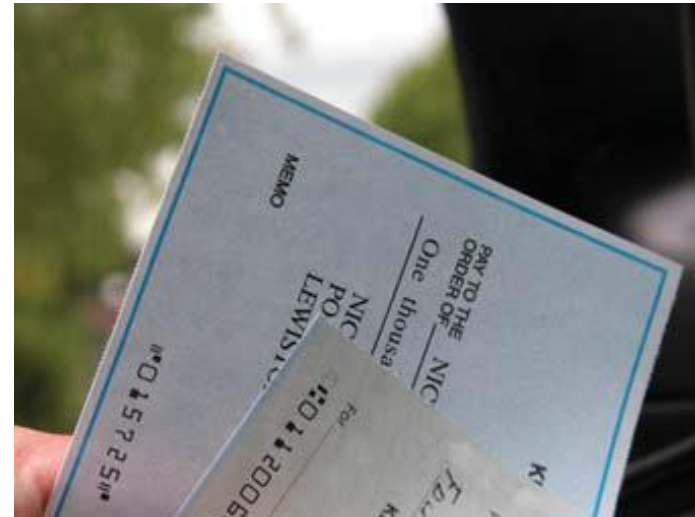


# Welcome to CrossCheck





Petaluma, CA



Dallas, TX



Phoenix, AZ

# Who are we?

- Founded in 1983
- Offices in CA, TX, and AZ
- Third largest check approval, guarantee and conversion provider in the nation
- Largest private provider, debt free
- A+ BBB Rating
- Processed over \$3 Billion in 2013
- Designed to INCREASE SALES



# Why You Want to Sell for CrossCheck

- Industry leader over 30 years A+ BBB rated
- Full sales support
- Competitive advantages
- Customer retention
- Merchants need it

# Who is Selling CrossCheck?



# Partners





# Target Markets



Auto Dealerships



Building Materials



Furniture Stores



Auto After Markets/Repair



Appliances



Vet



Electronics

# Who's Using CrossCheck?



The Genuine. The Original.



# Affiliations

**VADA** - Virginia Automobile Dealers Association

**MADA**- Missouri Automobile Dealers Association

**GIADA** - Georgia Independent Automotive Dealers Association

**HADA** - Hawaiian Auto Dealers Association

**MADA** - The Michigan Automobile Dealers Association

**SDADA** - South Dakota Auto Dealers Association

**HADA** - Houston Auto Dealer Association

**IADA** - Iowa Automotive Dealers Association

**GMMDA** - General Motors Minority Dealers Association



# Affiliations

- **AWCI**

Association Of The Wall And Ceiling Industry



- **LMC**

Lumberman's Merchandising Corp



- **NHLA**

National Hardwood Lumber Association



- **SBMA**

Southern Building Material Association



- **MLBMA**

Michigan Lumber & Building Materials Association



# Why Sell Check Guarantee?



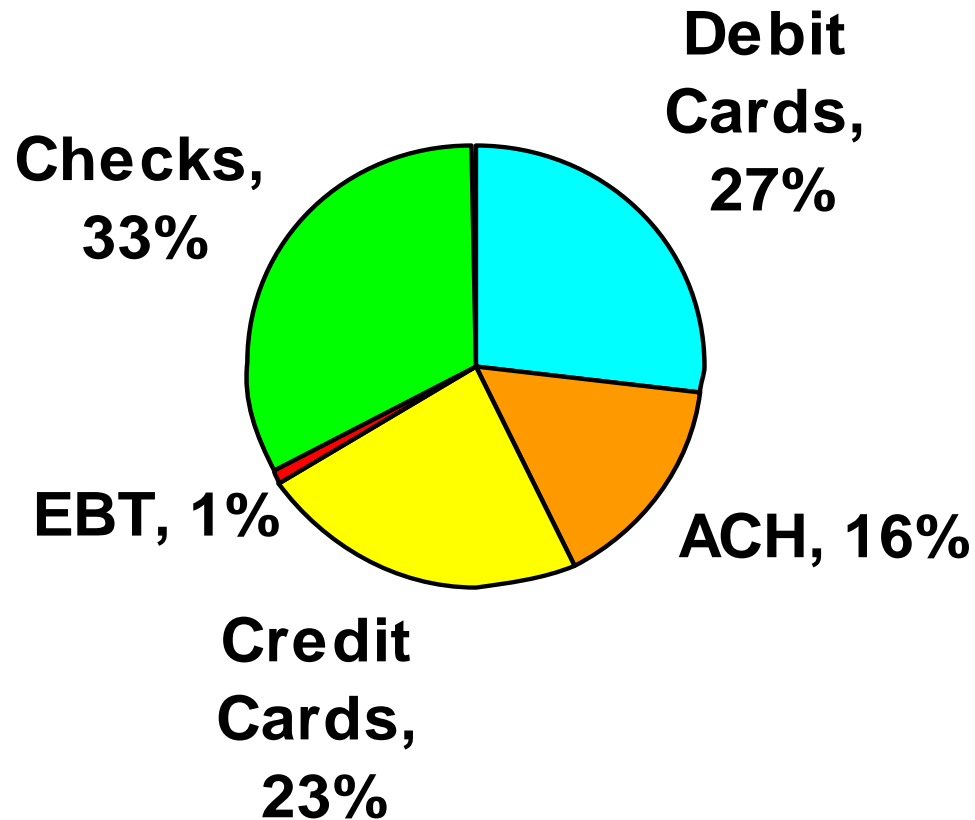
# Why Do Merchants Need It?



- Checks represent the largest share of P.O.S. payments
- Checks continue to be relevant
- In a challenging economy businesses cannot afford to turn away customers

# Checks Still Dominate

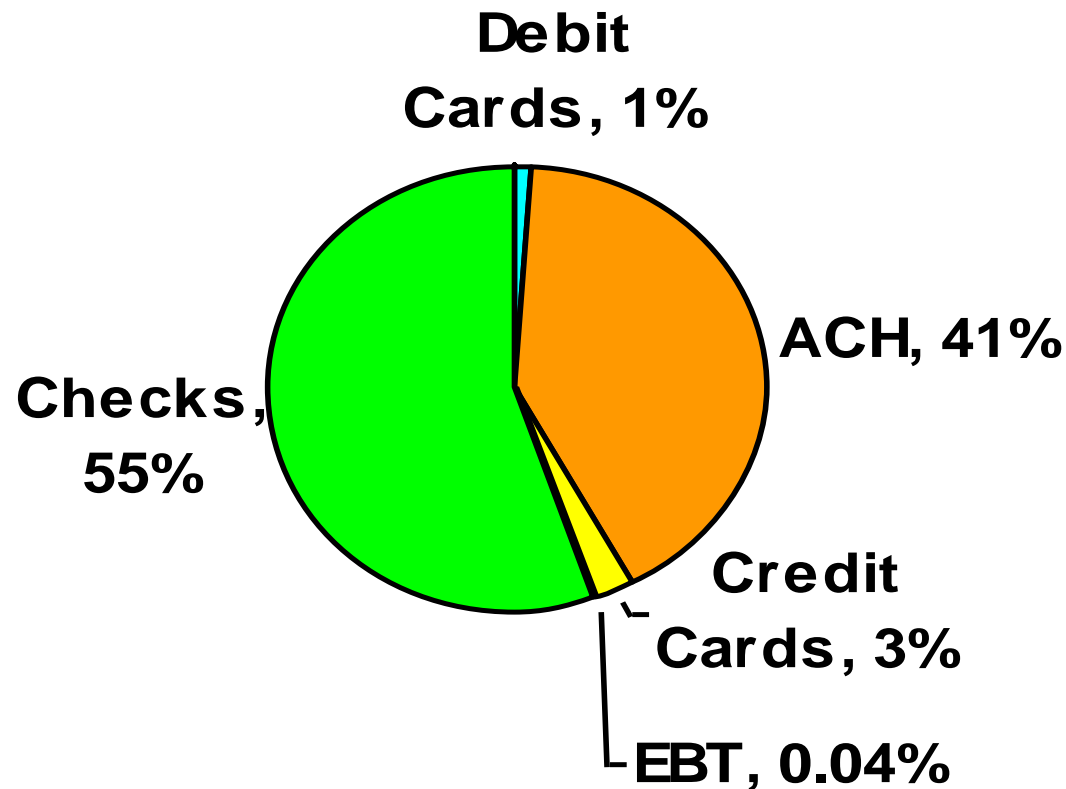
Transactions - Noncash Payments 2012



- Results of Federal Reserve Study of Payments System, 2012

# Checks Still Dominate

Value of Noncash Payments 2012



- Results of Federal Reserve Study of Payments System, 2012



# Opportunity

## CHECKS ARE BIG BUSINESS

OVER 20 BILLION CHECKS ARE WRITTEN EVERY YEAR



**31 TRILLION  
DOLLARS!**

(Source: Federal Reserve Payments Study)

[www.cross-check.com](http://www.cross-check.com)



# Opportunity

## **CHECK SERVICES PROVIDE YOUR MERCHANTS:**



- » **STREAMLINED CHECK PROCESSING  
WITH NO MORE TRIPS TO THE BANK**
- » **REDUCED RISK  
WITH GUARANTEED PAYMENT**
- » **INCREASED SALES  
WITH MULTIPLE CHECKS & COD**

[www.cross-check.com](http://www.cross-check.com)



# Opportunity

## THE MARKET FOR CHECKS IS HUGE!



- » NEW CAR DEALERS  
**OVER 50,000**
- » AUTO PARTS & ACCESSORIES STORES  
**OVER 58,000**
- » TIRE SHOPS  
**OVER 20,000**

(Source: US Census Bureau)

[www.cross-check.com](http://www.cross-check.com)



# Opportunity

## **THE MARKET FOR CHECKS IS HUGE!**



» BUILDING SUPPLY AND MATERIALS  
**OVER 90,000**

» HOME FURNISHING RETAILERS  
**OVER 65,000**

(Source: US Census Bureau)

[www.cross-check.com](http://www.cross-check.com)

# Opportunity

## **THE MARKET FOR CHECKS IS HUGE!**



» VETERINARIANS  
**OVER 28,000**

» MEDICAL OFFICES  
**OVER 10,000**  
(Source: US Census Bureau)

[www.cross-check.com](http://www.cross-check.com)



# Check Fraud

- 8 in 10 banks (80%) incurred check losses in 2012, up from 76% in 2011\*
- The total amount of attempted check fraud against banks' deposit accounts reached an estimated \$12.2 billion in 2012
- The average value of returned checks was \$1,124 in 2012\*\*

*\* American Bankers Association Deposit Account Fraud Survey Report – 2012*

*\*\* Federal Reserve's Retail Research Project – 2012*

# CrossCheck Suite of Services

- ☐ Standard Guarantee (Manual)
- ☐ Conversion Plus (Electronic)
- ☐ Remote Deposit Capture Plus (Electronic)
  - ☐ CARS
  - ☐ MED RDC



# Standard Guarantee

## Standard

- Phone
- Internet
- P.O.S. Terminal



Merchant Manual  
Deposit

Single Check

Multiple Checks/FD  
(2-4)

## Conversion Plus

- PC & Imager



- Terminal & Imager



Electronic Funds  
Transfer

Single Check

## RDC Plus

- PC & Imager



Electronic Funds  
Transfer

Single Check

Multiple Checks/FD  
(2-4)

# Standard Guarantee

1



Consumer elects the option to pay with a check.

2



Merchant reviews ID and writes the required information on the check

3



Merchant obtains approval number through their POS Terminal, the internet, or by phone.

4



Merchant deposits the check manually into their merchant bank account.

5



If check is returned, merchant mails it to Check Center, for processing within thirty days

Flexible Payments  
No Risk!

John Smith 123 First Street Anytown, CA 01234	March 1 20 07	1001
PAY TO THE ORDER OF Bill Johnson's Ford \$350.00		
Three hundred fifty & 00/100 DOLLARS		
FOR John Smith		
⑆0000⑆23456⑆⑆2345678⑆		

John Smith 123 First Street Anytown, CA 01234	March 1 20 07	1003
PAY TO THE ORDER OF Bill Johnson's Ford \$350.00		
Three hundred fifty & 00/100 DOLLARS		
FOR John Smith		
⑆0000⑆23456⑆⑆2345678⑆		

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Three hundred fifty & 00/100 DOLLARS		
FOR John Smith		
⑆0000⑆23456⑆⑆2345678⑆		



# Conversion Plus W/ Imaging

## Standard

## Conversion Plus

## RDC Plus

- Phone
- Internet
- P.O.S. Terminal



Merchant Manual  
Deposit

Single Check

Multiple Checks/FD  
(2-4)

- PC & Imager



- Terminal & Imager



Electronic Funds  
Transfer

Single Check

- PC & Imager



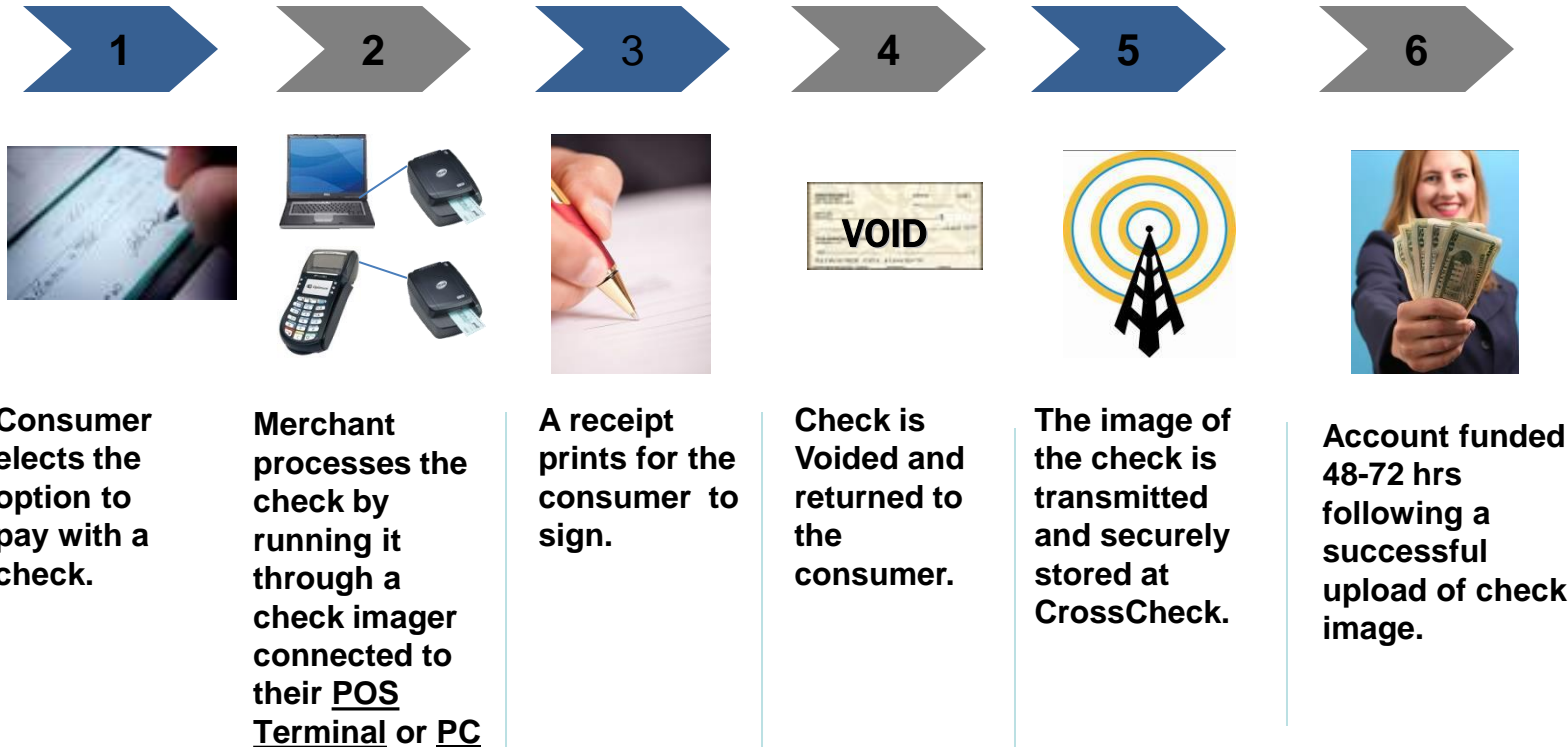
Electronic Funds  
Transfer

Single Check

Multiple Checks/FD  
(2-4)



# Conversion Plus With Imaging





# RDC Plus

## Standard

- Phone
- Internet
- P.O.S. Terminal



Merchant Manual  
Deposit

Single Check

Multiple Checks/FD  
(2-4)

## Conversion Plus

- PC & Imager



- Terminal & Imager



Electronic Funds  
Transfer

Single Check

## RDC Plus

- PC & Imager



Electronic Funds  
Transfer

Single Check

Multiple Checks/FD  
(2-4)

# Remote Deposit Capture Plus

(With Multiple Check up to 90 days)

Flexible Payments No Risk!



Consumer elects the option to pay with a check.

The is processed check by running it through a check imager connected to their PC.

A receipt prints for the consumer to sign.

Check is Voided and returned to the consumer.

Account funded 48-72 hrs following a successful upload of check image.

John Smith  
123 First Street  
Anytown, CA 91234

March 1, 2017

PAY TO THE ORDER OF Bill Johnson's Ford \$1950.00

Three hundred fifty & 00/100 DOLLARS

FOR John Smith

⑆00001 & 73A/55G⑆ & 73A/55/78P⑆

John Smith  
123 First Street  
Anytown, CA 91234

March 1, 2017

PAY TO THE ORDER OF Bill Johnson's Ford \$1950.00

Three hundred fifty & 00/100 DOLLARS

FOR John Smith

⑆00001 & 73A/55G⑆ & 73A/55/78P⑆

John Smith  
123 First Street  
Anytown, CA 91234

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PAY TO THE ORDER OF Bill Johnson's Ford \$1950.00

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FOR John Smith

⑆00001 & 73A/55G⑆ & 73A/55/78P⑆

<https://ms.cross-check.com/merchantsupport/RDCDemo/logon.asp>



# How it works

Merchant Log-in

[www.cross-check.com](http://www.cross-check.com)



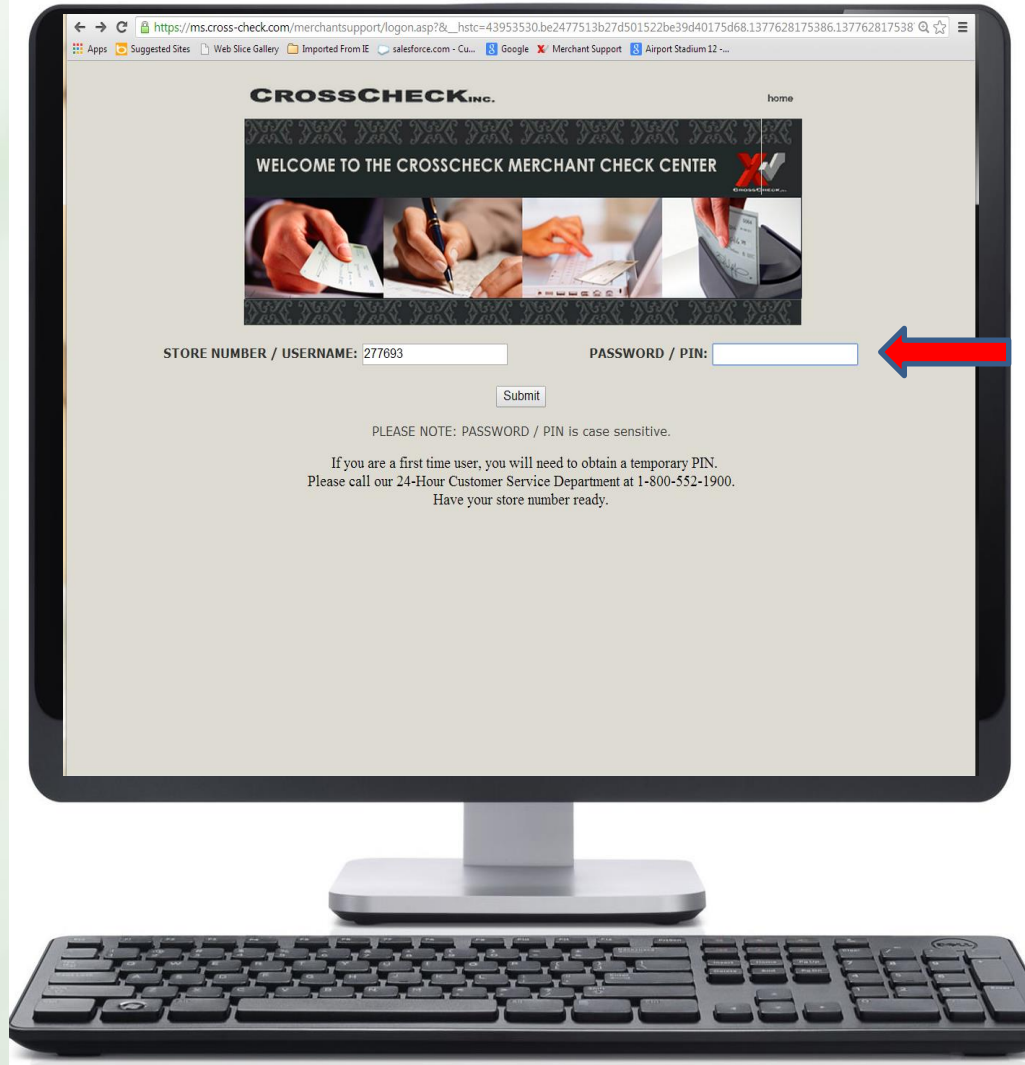
Connect PC to:

Panini iDeal or RDM 7000





# How it works



Once the merchant clicks on Merchant Log-in, they will need to enter their store number & PIN







# How it works



Merchant will choose what type of transaction they want to run:

- Ready For Deposit (1)
- Future Deposit (2-4)
- Pre Approve COD
- Update or Complete COD





# How it works

Click on:

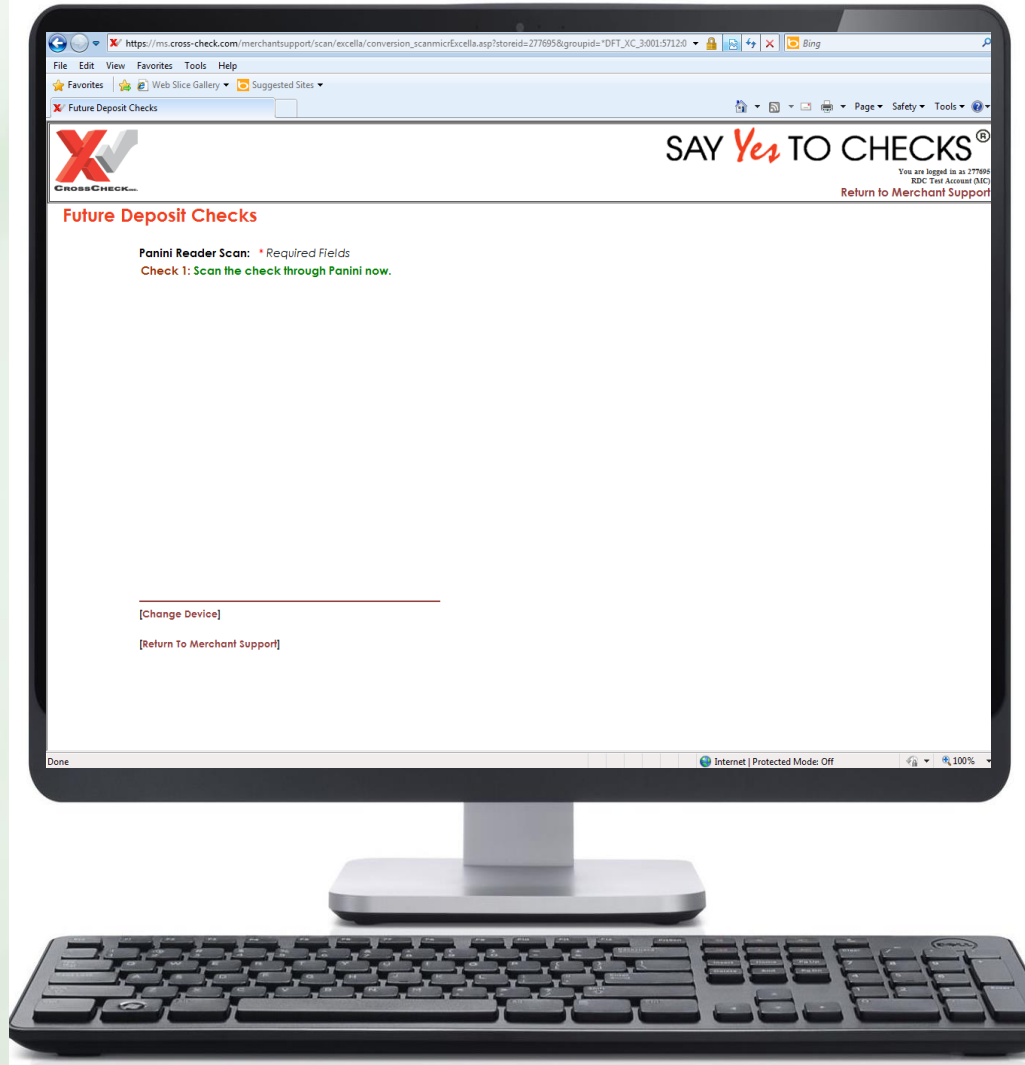
Future Deposit Checks





# How it works

Merchant scans 1<sup>st</sup>  
check through imager.





# How it works

Image shows on the screen for 1<sup>st</sup> check.

Merchant enters:

- Check amount
- DL/ID state abbreviation
- Reference (merchant choice)
- DL/ID number

Merchant clicks “scan next check”





# How it works

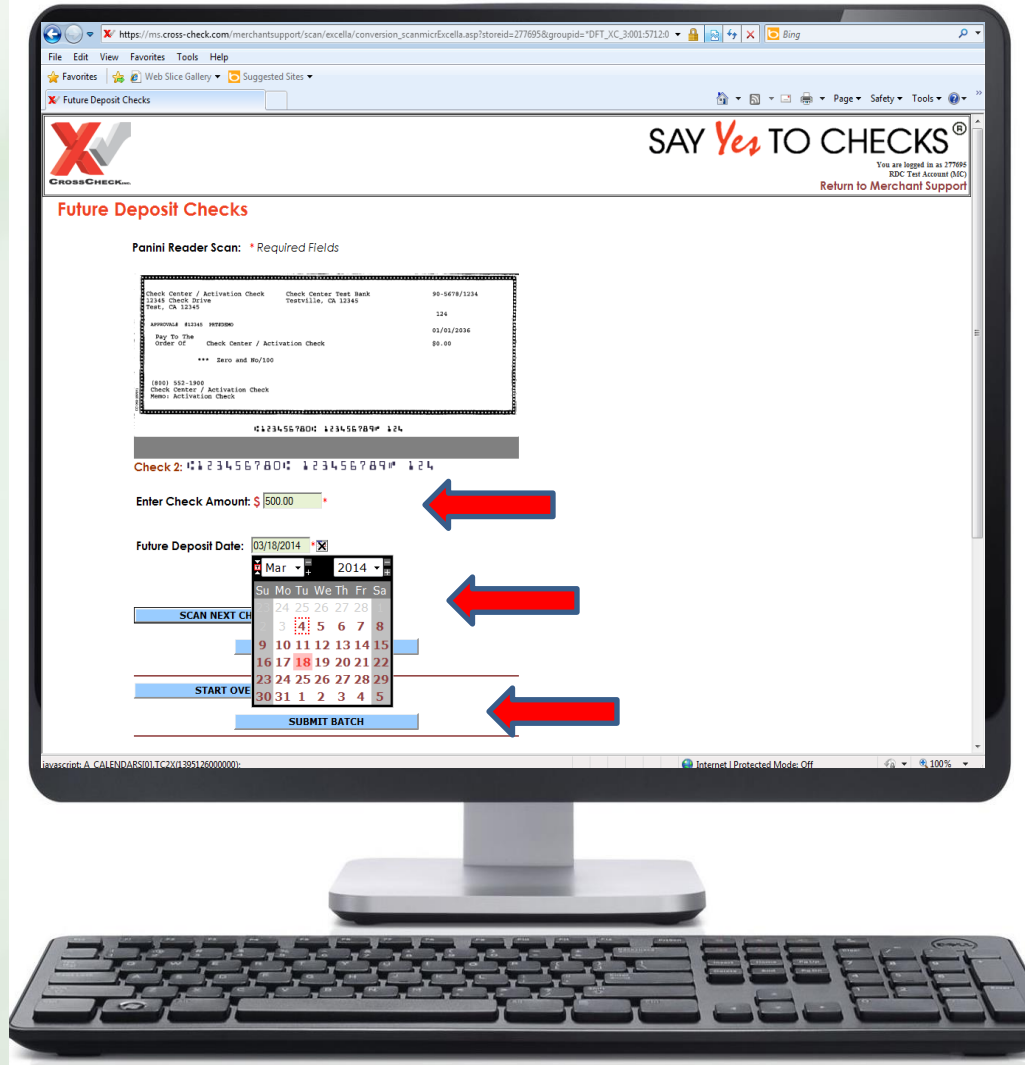
Merchant scans 2<sup>nd</sup> check through imager.







# How it works



Merchant enters amount for 2<sup>nd</sup> check.

Then merchant selects future date for deposit of 2<sup>nd</sup> check.

Merchant clicks on "submit batch"





# How it works



Merchant re-enters  
amounts from both  
checks.

Merchant clicks  
“approve all checks”







# How it works

Receipt appears with amounts and dates for approved checks.

Merchant prints one receipt for consumer and keeps one signed receipt from consumer.





# Reporting Tools



SAY *Yes* TO CHECKS®

Merchant Support

Forms

Tip Cards

Conversion Plus Summary

Change Your Password

Information About You

Transaction Report

Log Off

## Transaction Report 2/5/2010 thru 2/5/2010

### VIEW BATCHOUT REPORT

#### Search Options

Tran. Date Range: From: 02/05/2010 To:

Amount:

Search By RefID:

Tran. Type:

Group Location: ABC Nissan (MS)

Specific Location: All

User: All



Merchant Support  
Ready For Deposit  
Future Deposit Checks  
Full Purchase Transactions  
Single Check Manual Deposit  
Multiple Check Manual Deposit  
Forms

Total Amount Approved:  
Total Future Deposits Approved:  
Total COD Closes:  
Transaction Count:  
Total Future Deposits Transaction Count:



## Batch Out Report for West Honda on 2/1/2010

#### Search Options

Select a different day: 02/01/2010

Specific Location: 261846 - West Honda(FI) (Finance - Conve

Tran. Type: All

☐ SHOW MANUAL DEPOSITS

### VIEW PRINTABLE VERSION

Tran. Date	Deposit Date	Amount	RefID	Tip Cards
2/5/2010	2/5/2010	\$30,572.94	292660	Conversion Plus Summary
2/5/2010	2/5/2010	\$2,000.00	292659	Change Your Password
2/5/2010	2/22/2010	\$31,460.61	292660	Information About You
2/5/2010	2/5/2010	\$414.16	594313	Batch Out Report
2/5/2010	2/5/2010	\$450.00	594231	Log Off
2/5/2010	2/22/2010	\$1,000.00	292654	
2/5/2010	3/8/2010	\$3,000.00	292654	
2/5/2010	2/5/2010	\$10,000.00	292652	

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Issued: Thursday, February 04, 2010  
Email Us your feedback!

#### SEARCH BY REFID

VIEW PRINTABLE VERSION | VIEW FUTURE DEPOSIT TRANS BELOW

Store#	User ID	Account Holder
261846 West Honda (FI)	NOREGAC1	Jean W0000 CA 100000007999
261846 West Honda (FI)	NOREGAC1	46 Westfield Sacramento, CA 95800 Phone: (909) 300-2397 Gertrude M0000 CA 100000003447
261846 West Honda (FI)	NOREGAC1	97 Westfield Lemoore, CA 93201 Phone: (909) 300-8245 Thelma M0000 CA 100000001327
261846 West Honda (FI)	NOREGAC1	428 Norwood Cir Fremont, CA 94500 Phone: (909) 300-9150

Future Deposit Transactions Depositing Today:

Store#	User ID	Account Holder	Amount	Approve	Created Date	RefID	Tran. Type
261846	NOREGAC1	Joseph N0000 CA 100000003058	\$4,000.00	000343290	1/26/2010	2925287	FD
		428 Norwood Cir Fremont, CA 94500 Phone: (909) 300-8245					

Copyright © 1997-2009, CrossCheck, Inc.  
Issued: Thursday, May 7, 2009  
Email Us your feedback!

## Conversion Plus Summary Activity

From May 1, 2009 To May 7, 2009

For Questions Concerning Your Account, Please Call (800) 552 - 1900

You are logged in as AutoNation Irvine, CA User.

Merchant Support

Ready For Deposit

Future Deposit Checks

Full Purchase Transactions

Pre-Approve COD

Update Or Complete A  
COD

Conversion Plus Summary

Change Your Password

Information About You

Manage Users

Log Off

Cars Collision #34  
13113 N. Lake Street  
Aurora, IL 60506

Period

05/01/2009 05/07/2009

### Viewing By Transaction Date

- View Funded Checks By Transaction Date
- View Funded Checks By Funded Date
- View Pending Checks
- View Payments
- View Returned Items

Totals for period from May 1, 2009 to May 7, 2009		
	Items	Amount
Check Total:	-	-
Reverse Total:	-	-
Volume Billing Total:	-	-
Transaction Fee Total:	-	-
Transaction Settlement Total:	-	-
Future Funding:	3	\$86.81

### Funded Checks By Transaction Date

No Data Exists For This Period.

### Future Funding

	Funding Date	Items	Check Total
▶	May 29, 2009	1	\$78.15
▶	May 14, 2009	1	\$7.55
▶	May 13, 2009	1	\$1.11

[https://www.youtube.com/watch?v=baiWEr\\_jM6s](https://www.youtube.com/watch?v=baiWEr_jM6s)

# Features

- **Future Deposit Checks (Hold Check)**
- **Stop Payment Premium**
- **COD**
- **Business Check Conversion**

# Benefits

- **Make deposits 24/7**
- **Reduces time and cost**
- **Improve your cash flow**
- **Consolidated reporting and online tracking**

# Conclusion

- **Electronically processes checks including hold checks**
- **Eliminates bank runs**
- **Virtual deposit slip and 24/7 online reporting**
- **Eliminates return checks**
- **Reduces bank fees**
- **Provides increased sales and less risk**
- **Consolidated banking**

# All Pricing Terminology

# Pricing Terms

- Monthly Minimum
- Subscription Fee
- Discount Rate
- Transaction Fee
- Return Item Fee
- Chargeback Fee
- System minimum (call minimum)



# Monthly Minimum

**Standard Monthly Minimum**  
**\$35**

*The monthly minimum is charged when the merchant's check volume x rate is lower than the monthly minimum.*

# **Subscription Fee**

**\$15**

**That's the minimum amount that it cost to  
keep your account active**

# Basic Pricing

- Merchant type, check volume, and loss.
- All fees are negotiable! (except w/ loaner imagers)

**1.25% and 20¢ per transaction**

**OR**

**At least 10% off current rate w/ competitor**

- Higher rates for Future Deposit Features

# Pricing

- Multiple Check / Future Deposit

– 30 day deposit	1.5%-2.5%	\$35mm \$15 Sub
– 45 day deposit	2.5% & up	\$50mm \$15 Sub
– 60 day deposit	4% and up	\$75mm \$15 Sub
– 90 day deposit	6% and up	\$75mm \$15 Sub

**\*All pricing is subject to volume of check dollars processed**

# Rate

The Rate is based off the merchant's industry type, check volume and check loss

Rates can also based off of competitor pricing



# Check Volume/Check Loss

**What is Check Volume?**

**What is Check Loss?**

# Multiple Check

# Multiple Check

## So, let's look at this in the real world...

- You're calling on an auto mechanic. Sometimes a customer will come in expecting to pay \$200 to have their brakes fixed. The mechanic inspects the vehicle and finds out that the front axle is damaged, the rotors need resurfacing and the CV boot needs replacing. The total estimate for the repair work is now \$800. Some customers may use their credit card to pay the bill but others can't. Maybe they don't have a credit card to use or their current card is "maxed" out. Ask the mechanic how many times a week a customer says, "Well, just do the \$200 worth of work and I'll come back in a couple of weeks to get the rest of the work done." How many of those customers actually come back later to get the work done?
- You can now show the merchant a safe, cost-effective way to have the customer get all of the work done today. All they need to do is accept two to four checks for the total cost of the service provided, approve all of the checks today and deposit them in the bank over the next 30 days, according to a schedule agreed upon with the customer. Can the mechanic see that sales may increase dramatically if just a few customers a month take advantage of this program? What's the profit on a larger repair job? This may help the merchant to increase sales and maybe earn a loyal customer who will come back to the establishment for more work!

# Multiple Check

## **Sales Pitch:**

- “Multiple Check Premium will dramatically increase your sales. You can accept 2 – 4 checks for a purchase and deposit the checks over a 30-day period. You will have 45 days from the approval date to submit dishonored checks under this feature. Imagine the flexibility of payment you will be offering your customers, not to mention the advantage you will have over your competitors by increasing your consumer base.”

## **Objections and Responses:**

- I have a 90-day same as cash program. Why would I need a Multiple Check program?  
**Isn't it based on credit? What happens to those who do not qualify?**
- I don't think I need something like this.  
**Why?**
- I already have a Hold Check program.  
**Are those checks guaranteed?**

# Who Needs This?



New and Used Auto Dealers  
Automotive Tire  
Auto Body/Paint  
Auto Repair  
Furniture Stores  
Building Materials  
Veterinary Clinic/Hospitals



# Sales Support

For questions, paperwork, training, merchant discussions, marketing materials, and help closing deals.....Mon-Fri 7AM-5PM PST

- 800-843-7354 Office Code:
- Press #1 Sales Support #2 Tech Support

Email : [PartnerRelationsSupport@cross-check.com](mailto:PartnerRelationsSupport@cross-check.com)