



April 25, 2007



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One Measurement to Rule Them All

REVENUE!

- Proven methods that increase revenue
 - Attract new customers
 - Reduce shopping cart abandonment
 - Maximize expenditures
 - Prevent revenue leakage
 - Provide a better user experience than the competition
- So what options do you have?
 - Expensive marketing campaigns for customer acquisition
 - Simplified “shopping cart experience”
 - Search engine optimizations
- Been there / done that. What else?



Alternative Payment Solutions Proven to Increase Revenues

The screenshot shows the top of a website with the logo "internet retailer" and the tagline "STRATEGIES FOR MULTI-CHANNEL RETAILING". The navigation bar includes links for "HOME", "CONTACT US", "FREE SUBSCRIPTION", a search box, "GO", "Reprints & E-Prints", and the date "November 16, 2006". The main content area is a blue box with white text.

Consumers' and merchants' concerns about credit card use mean there is a pent-up demand for alternative payment vehicles that are less costly and more secure, Schatt says ...

...alternative payment options could account for up to 26% of all online payments by 2009, up from 14% of all payment volumes this year, he says.

- But there are a lot of “me too” payment options offering another mechanism for using Credit Cards, Debit Cards and ACH processing
- Therefore we can ask: “is there a new payment method, that provides a truly unique purchasing demographic; unserved by credit cards, debit, and ACH; that is safe and secure which will in turn decrease shopping cart abandonment and provide a better user experience than my competition?”



Bill2Phone™ - Designed for Revenue Optimization



“Over 60% of decisive consumers would prefer to add online charges to their existing local phone and/or broadband bills instead of credit card.”

– Javelin Strategy & Research, March 2006



maximizes revenue by

- Billing to over 100 Million Households
- Reaching 60-80 Million* unserved/unbanked online purchasers who cannot, or chose not to use credit cards on line
- Protecting users against identity theft
- Integrating sophisticated fraud management
- Reducing cart abandonment from “payments fear”

*US Banker, “Landing the Unbanked with Lure Aiming to Build Credit.” 4/2007

*Ceridian, “Federal Reserve banks on paycards.” 11/2006



Bill2Phone Decreases Abandonment



Statistics

- When offered by a wallet provider, **34%** of UK users bill to telephone
- When offered by a wallet provider, **80%** of Swiss users bill to telephone
- **60%** of unbanked [but comprising a desirable demographics] more likely to buy when offered a no credit card needed option – *Javelin Strategy & Research*
- **15%** of US consumers are un-banked (no credit card) for example Tweens
- Phone billing provides access to **100 m** households (US)



Highly Collectible

- Phone service is viewed as a utility by the online Guest
- Pre-screening virtually eliminates non-paying or non-billable Guests



Increase Conversion to Sale with non-cannibalizing Bill2Phone option

- **40-60%** of all eCommerce transactions terminate when a credit card is requested
- Online cart abandonment cost US online marketers **\$63B** in 2004 – *Internet Retailer*
- ‘No credit card required’ increases online conversion when messaged appropriately
- Consumers get 30-60 days of interest free payment options



A gateway solution not a back office replacement – you remain in control

- We are NOT outsourcing your payments solutions, customer interaction, nor brand
- Standard Credit Card like transactions: Authorize, Authenticate, Refund, Void, Sale, Settle, etc.



Bill2Phone is as Sophisticated as Credit Cards



Best Technical Payments Solutions

- Virtual Terminal: Allows you to manage individual transactions
- Subscription Manager: allows you to define recurring billing
- BC WebTrack™ Reporting: Full transaction lifecycle management
- eStatements & Purchase Confirmation: clearly communicates to end-users their purchases to minimize customer confusion
- Customer Service: BSG can provide customer service for its merchants
- Credit Card like APIs: Near-Real Time and/or Batch solutions



Advanced Risk Management Solution

- Assistance from the Local Exchange Carriers (LECs) allows for more accurate authorizations
- Advanced integrated fraud management solutions available maximizes profit while reducing charge backs
 - Data Modeling
 - Velocity Checks, Geolocation & the largest BTN negatives database
 - Underwriting Risks
- Dedicated risk management team & in-house analytics



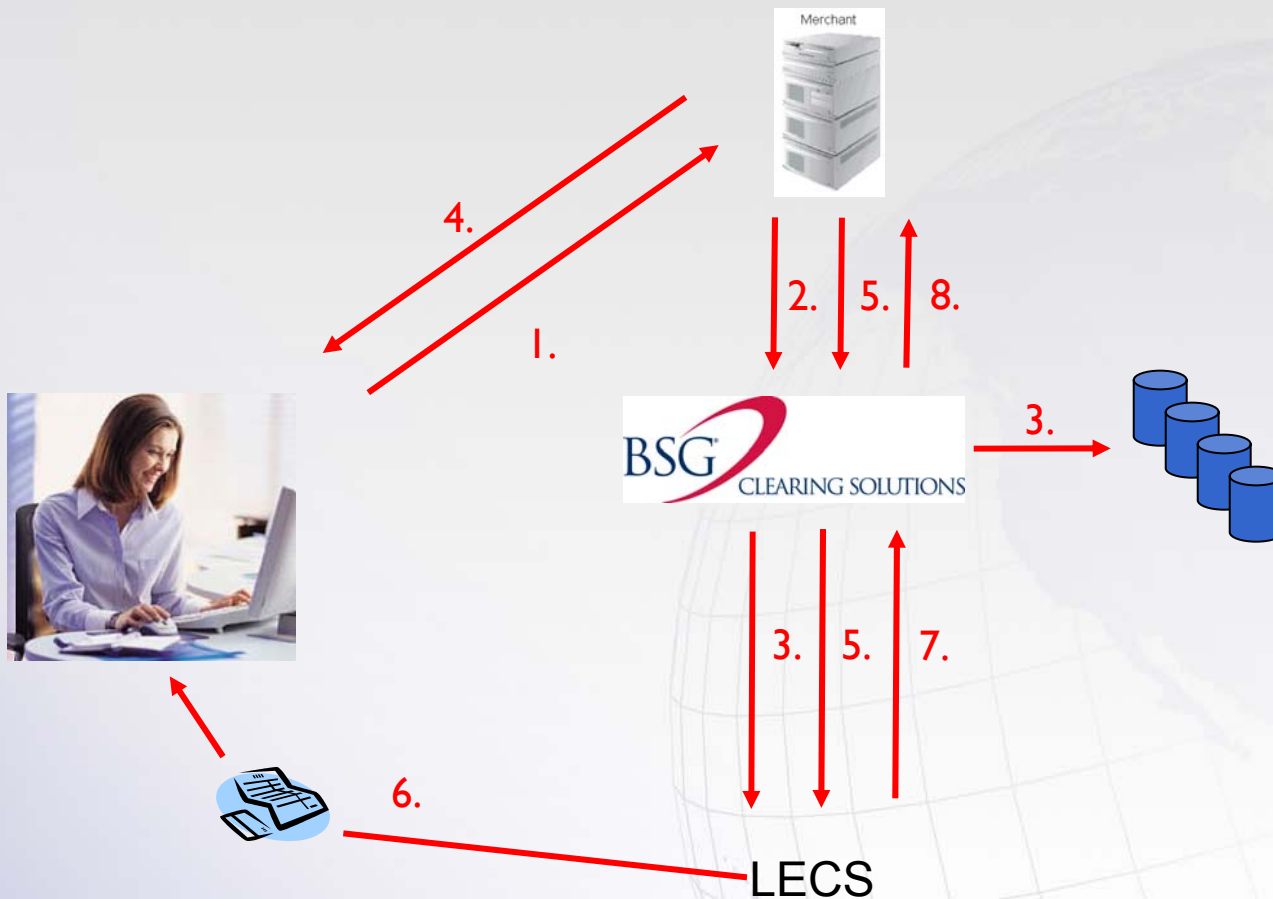
High Availability operations

- Real-time redundant environments
- Load balancing



Bill2Phone Transaction Flow

Standard ecommerce purchase



1. User selects merchant service & registers with merchant by paying with Telephone Number
2. Merchant validates user by sending authenticate request to BSG Clearing Solutions
3. BSG authenticates user through a number of queries to Telco & other validation databases
4. Merchant confirms to user that charge successfully posted & releases content
5. Merchant settles transaction
6. Telco invoices user
7. Telco settles with BSG
8. BSG settles with Merchant



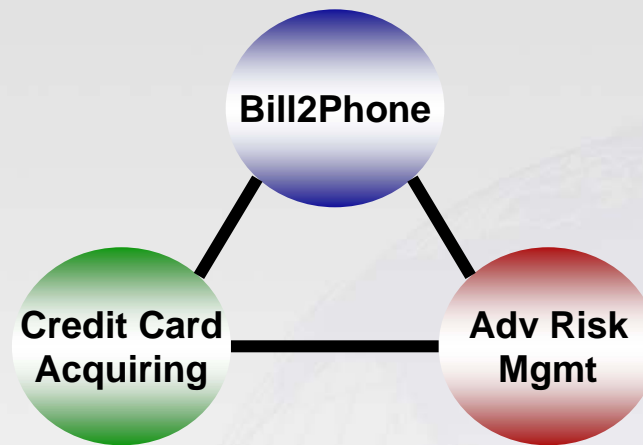
Offerings: Features and Benefits



Feature Category	Features	Benefit
Risk Management	<ul style="list-style-type: none">AuthenticationAuthorizationTelephone BillabilityCredit LimitsFraud AnalysisAdvanced GatewayLEC Endorsed	<ul style="list-style-type: none">Reduced FraudPre-processed records, reduced costsSimple to use (merchant)LEC Association based rules and enforcement
Payment Services	<ul style="list-style-type: none">eBill presentmentInvoicingOnline self care & User PortalTransaction VerificationUser email notificationAggregationVirtual Terminal & Recurring BillingTxn LifeCycle Mgmt Reports w/ Drill Down	<ul style="list-style-type: none">Multiple payment optionsSimplified user experienceSafe to useLEC EndorsedSimplified but sophisticated merchant interface
General	<ul style="list-style-type: none">API Based vs Telco basedCompetitive RatesLEC marketing opportunities	<ul style="list-style-type: none">Simplified merchant interface similar to CCNew demographicLEC subscriber base



Bill2Phone as part of the Advanced Payment Gateway (APG™)



- All major card brands
- Diverse connectivity into multiple processing platforms
- Multiple acquiring banks
- Domestic/international options
- High risk programs

- Card Verification Schemes
- Multi-Point Velocity Controls
- Card Issuer & IP Address Geolocation
- Rule Weighting & Neural Model Scoring
- Nonsensical & Obscenity Data Filters
- Complex Boolean Rules
- User-Definable Rules & Data Inputs

▪ Advantages of One Gateway, One Provider & 20+ years handling financial transactions

- Simplify with a single source payment service provider
- Minimize development costs and IT overhead with a managed ASP service
- Eliminate fraud with fully integrated risk management systems
- Streamline reconciliation and minimize expenses with competitive acquiring services for payment processing
- Simplify reporting with a one-click interface and instant exports
- Packaged solutions with competitive prices



A Client Centric Approach



Sales

- Review new products, assist in LEC underwriting process, always available as a point of contact for customer



Client Relations Department

- Dedicated account manager is merchant's first line of contact for all issues, responsible for merchant boarding



LEC Relations Department

- Directly interfaces with all LECs on merchants behalf



BC WebTrack™

- 24/7 real-time billing management reports



Accounting

- Staff available to answer questions regarding settlements, reporting, and positions

Service...is THE difference, Resourcing is the Key!





In Summary



	BSG
Highest focus on Customer Service	<ul style="list-style-type: none"> ✓ Client Services ✓ LEC Services ✓ Customer Call Center
Best Technical Solution	<ul style="list-style-type: none"> ✓ Near Real Time & Batch ✓ Recurring Billing, Virtual Terminal ✓ Highly available redundant environments ✓ Payments Gateway API
Most Advanced Fraud Protection	<ul style="list-style-type: none"> ✓ Fraud Analyzer ✓ Risk Modeling ✓ Integrated or stand alone solution
Leadership & Financial Strength	<ul style="list-style-type: none"> ✓ \$3 Billion processed globally ✓ \$180+MM Revenue ✓ 750 clients ✓ Public Company
Growth alignment	<ul style="list-style-type: none"> ✓ Wallet, ACH, Credit Card single source provider ✓ Tax filing services ✓ Revenue Recovery services

*More than 22 years
experience in
Telecom Payments
Solutions*



Certificate of Recognition

2006 Supplier Recognition Program

AT&T Recognizes:

BSG Clearing Solutions

For Outstanding Performance in

Technical Innovations

BSG Clearing Solutions is being recognized in the Technical Innovations category as the billing Clearinghouse for all AT&T's Wi-Fi customers and AT&T's Roaming Wi-Fi Partners. BSG Clearing Solutions quickly implemented billing solutions and new Wi-Fi roaming agreements arising from Marketing initiatives and improved partner to partner operations and billing. AT&T is now able to view real-time network transactions, billing and revenue reports, while at the same time our partners can access billing information.



Contact Information



Thank you!

For further information contact
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CONFIDENTIAL

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The Center of Network Commerce