



## CORE CONCEPT

- P2P Mobile Payments for micro-merchants, small groups and college students
- P2G feature for events and parties and eventually regular merchants
- Instant, frictionless & guaranteed funds available cheaply anytime, anywhere

## PRODUCT & TECHNOLOGY

- iPhone application and mobile web platform in HTML5
  - Device-linked accounts; all functions from app
- All back-end accounting databases
  - PCI compliant on SAS 70 private servers
  - Intelligent built-in fraud ID and risk management
- NFC-ready for version 4-5

## MARKET SEGMENTS

- 1.0 US college campuses (20 million students, 5 million new per year)**
  - High need for cash
  - Tech and smartphone savvy; used to social networks
  - Untested market, but informal transactions are frequent and growing
- 1.5 Non-merchant groups on US college campuses (3<sup>rd</sup> Party Aggregation: PayPal Model)**
  - Frats & sororities; club sports teams; mission trip groups; fantasy sports leagues
  - “Micro-merchants” who sell books, TVs, sofas, etc.
  - Event/party planners selling tickets (*Eventbrite model - \$400M in ticket sales in 2010*)
- 2.0 College-related small merchants & Non-profits**
  - Bars, pizza shops, convenience stores
  - Local non-profits, charities
- 3.0 Medium sized merchants and marketing firms/departments**
  - Value prop is data/marketing driven
  - Micro-targeted ads and coupons (*Groupon model*)

## BUSINESS MODEL (REVENUE)

- 1.0 Flat-fee per transaction: \$0.50 – No other fees**
  - Nooch fronts cash before ACH clears, charges credit card on file if ACH fails
- 1.5 Flat-fee per transaction, paid by sender  $\pm$  2% for events or tickets, paid by organizer**
- 2.0 Flat-fee per transaction, paid by sender  $\pm$  2% per transaction paid by merchants**
- 3.0 User profiles of who, what, where, when and why for entire transaction history**
  - Micro-targeted ads – by location, by purchase history, by friends (social)
  - Personalized coupons

## PLUMBING: HOW NOOCH WORKS

### **Version 1: P2P only**

1. Users set up account with name, e-mail, username and password via app or web
2. Load funds by linking an external bank account (ACH) or credit card – requires more customer info (SSN?)
3. Find recipients through Facebook Connect (*also grabs user's profile picture*)
4. “Good Funds” sent to recipient's Nooch account instantly (or waits for recipient to create account)
  - a. *Nooch is the Processor*
5. Recipient can ACH automatically to linked bank account OR *Nooch* friends from the mobile app or site

### **Version 2-3: NoochGroops & Merchants**

1. Any group can create Twitter-like alias anytime for a specific event/cause/purpose – e.g. **\$SAEfrat.fundraiser**
2. Any Nooch user can enter that alias to transfer money directly to that group
3. Sender gets receipt with full info and/or a ticket for an event via e-mail
4. Any group can create sub-groups for accounting purposes, salespeople, stores etc.
  - a. e.g. **\$SAEfrat.Tim** or **\$SAEparty.Larry** or **\$DomsPizza.Store12**
  - b. Can shorten alias with unique 5-digit alpha-numeric ID (i.e. TinyURL does for URLs)
  - c. No POS equipment needed

## NOOCH'S VALUE ADD

Consumer	Merchant	Bank
<ul style="list-style-type: none"> <li>• Cheaper than ATMs, PayPal, etc.</li> <li>• Convenience of mobile wallet</li> <li>• Quicker than check, wire transfer</li> <li>• Easiest interface – just their name</li> </ul>	<ul style="list-style-type: none"> <li>• Customer acquisition</li> <li>• Customer info; micro marketing data</li> <li>• Cycle of targeted ads at no cost</li> <li>• Lower fees</li> </ul>	<ul style="list-style-type: none"> <li>• Other banks' customers w/out overhead</li> <li>• Fees galore</li> <li>• increased float</li> </ul>