Xpress-pay

Profile and History

SYSTEMS EAST, INC.
INNOVATIONS IN FINANCE AND COLLECTIONS

Xpress-pay : The Solution and the Company Behind It

Thank you for considering Systems East as your ePayment Partner. This synopsis contains information which we hope you and your colleagues will find helpful in making your final selection:

Company history

Systems East, Inc. was founded in 1981 and incorporated in the State of New York in 1998. The company maintains its headquarters in Cortland, New York, with a technologically redundant satellite office in Daytona Beach Florida. Our firm employs twenty-five full-time staff members in support of sales, support, security, administration, and the continuing development of Xpress-pay.

Throughout our history, we have adhered to the culture that the human component, which includes our clients, their customers, our resellers, and employees, remains our priority. This has resulted in developing a reputation that has allowed us to attract and retain over 200 clients in New York State and thousands nationally. Our client portfolio encompasses all fifty states, Washington D.C., and the U.S. Virgin Islands.

As a flexible and secure digital wallet, Xpress-pay also allows us to assist clients of all sizes in virtually all sectors, whether business, benevolent, or government. Xpress-pay has processed billions of dollars in consumer payments and donations, and has earned recognition by all industry participants.

Since inception, Systems East has enjoyed steady and sustainable growth, resulting in a positive EBITDA every year. We have a very sound financial position and vacate all accounts payable twice per month. Equally important, Systems East has no debt and has never sought or accepted loans or other funding from external sources such as banks or venture capitalists.

Our private ownership and financial independence permits a focus on product quality instead of shareholder ROI. This is entirely consistent with a management strategy that focuses on attraction and retention of clients, resellers, and employees.

Performance is not measured solely by the bottom line. We place a high value on relationships, invest as appropriate to advance them, and exercise patience in the enthusiastic pursuit of our goals. As a result, we now assist our clients in handling billions of dollars in transactions annually.

Payment options

Xpress-pay supports the acceptance of all credit/debit cards, and eCheck (ACH) transactions. At your option, exclusions can be applied, such as not accepting American Express for one purpose or eChecks for another. To demonstrate the granularity of the feature list, it is even possible to exclude eCheck acceptance from specific customers.

50 Clinton Avenue
Cortland, New York 13045
(607) 753-6156

Xpress-pay
Your Partner in ePayments

400 South Atlantic · Suite 112
Ormond Beach, Florida 32176
mail@systemseast.com (v1.13)

The Xpress-pay user interface is built on the Responsive Design Platform, meaning it dynamically respects the customer device, whether desktop, laptop, tablet, or smartphone. It also functions identically regardless of the operating system.

Equally notable, Xpress-pay includes a secure digital wallet feature. Consumers may create an account to store an unlimited number of cards or bank accounts. The wallet can be leveraged during subsequent payments to any merchant in the Xpress-pay network simply by logging in and selecting a card or bank account. With the proper credentials, an account created on one device can be equally accessed on any other.

As innovators, we are always adding features (such as IVR, text notifications, and pay-by-text options) to future-proof your investment. Consequently, there will be no need to change solutions in response to your organization's evolving profile.

Xpress-pay is also processor-agnostic, allowing it to submit transactions through virtually any credit card or ACH processor. If you have a preferred provider, chances are we already have a path for transaction submission. If you do not have a relationship with a merchant service provider, Systems East forged a very productive relationships with many providers, so we can act as your liaison.

Our established reseller network includes several other major industry participants such as World Pay, EVO Payments International, U.S. Bank/Elavon, Clearent, Jack Henry, and several Tier One banks. The latter includes the ability to submit a standard NACHA transaction file to any ODFI.

Integrations

In addition to gateways and processing platforms, Xpress-pay is also integrated with several proprietary products in a variety of industries. Even if we do not current connect directly to a service or software provider as needed to support your interests or specific project, we can readily do so.

Given the established record of routinely completing integrations with gateways, processors, insurance applications, utility billing software, etc., we can readily complete additional integrations with relative ease once we are in possession of the appropriate API documentation.

Notable features

The hallmark of Xpress-pay is its unparalleled flexibility, analogous to a "tool box" upon which we rely to satisfy the variety of common or specific needs of our clients and expectations of resellers. A standard deployment includes custom banner graphics echoing the client's web presence, custom narratives to guide visitors, fields and captions that directly relate to the transaction, and a familiar consumer experience throughout.

A host of features can readily be enabled to improve the experience. For example, you can choose whether or not to allow multiple types of payments in a single visitor session. We can obscure screens to expedite payments or fields to facilitate background information exchange. Bills populate a shopping cart, and visitors have the option to locate more or proceed to checkout. Disabling this feature means that in the case of a single insurance payment or a donation, the consumer advances from the first screen with the payment details (such as account number, name, amount, etc.) to the checkout screen. This reduces or eliminates what we call "process friction".

In our experience, organizations within a given sector share a common thread with similar entities in that they provide common services. There may also be multiple payment requirements such as

50 Clinton Avenue
Cortland, New York 13045
(607) 753-6156

400 South Atlantic · Suite 112
Ormond Beach, Florida 32176
mail@systemseast.com (v1.13)

deposits, renewals, and reinstatements. Though there is a common array of services sought or required by our clients, each also has a degree of unique criteria with respect to payment policies, regulations and laws, acceptance options, departmental applicability, and application integration requirements.

Project contours present an infinite variety of combinations which must also integrate seamlessly into the client's back-office system. This is precisely where Xpress-pay stands alone in the industry. Given the vast array of tools available within the Xpress-pay product portfolio, we support the unique needs of each line of business as it relates to payment channels (web, mobile, IVR, in-person), payment methods accepted (credit/debit cards, ACH), fee structures (site fee yes/no, including separating deposits for primary proceeds from site fee proceeds), integration type (ad hoc, EBPP, real-time), and API support for immediate real-time feedback to your cloud. Xpress-pay also allows an unlimited number of payment types and deposit accounts.

All of this is accomplished with Xpress-pay, a highly-evolved solution with a unified consumer experience across devices, a secure digital wallet, and a single database for history, reporting, and multi-level administration. The entire suite was developed and is solely owned and operated by Systems East and is operational in all fifty states, Washington D.C., and the U.S.V.I. As such, we have sole jurisdiction over the product's features.

Our nationwide network of Authorized Xpress-pay Resellers includes Tier One banks, merchant service providers, vertical integrators, independent agents, and web developers in service to organizations of all types and sizes. Xpress-pay is supported by a dedicated team of specialists, most of whom are already familiar with the specific needs of the industries we serve.

Security

The credit card industry is rigorously self-policing, because there is no benefit to the card brands or other industry participants unless they are actually used. It is widely recognized that data breaches deter use, so the Payment Card Industry Data Security Standard (PCI DSS) was developed, is regularly updated, and is enthusiastically enforced.

There are four levels of compliance, with Level Four being the lowest (ex. light retail) and Level One being the highest (banks and large-scale service providers). Level One requires an extremely serious commitment to achieve and maintain. The arduous process involves a thorough assessment of the entire processing environment and actual program code, plus extensive penetration testing. Once certified, the complete process must be repeated on an annual basis.

We are pleased to state that as an Enterprise Level ePayment solution, Xpress-pay is certified at PCI DSS Level One. Our Level One Attestation of Compliance (AoC) is available for your review.

Preparedness

Systems East maintains two offices separated by over a thousand miles, one in Cortland, New York and the other in Daytona Beach, Florida. Both offices have sales, administrative, executive, and support staff. Through this deliberate redundancy, each office possesses all the staff and assets necessary to perform all vital services in the event of closure of the other. This been repeatedly demonstrated during extreme weather events such as snowstorms and hurricanes.

50 Clinton Avenue
Cortland, New York 13045
(607) 753-6156

Xpress-pay
Your Partner in ePayments

400 South Atlantic · Suite 112
Ormond Beach, Florida 32176
mail@systemseast.com (v1.13)

Redundancy includes NAS (Network Attached Storage) devices which host our documents and files. These are mirrored in real time both in place (RAID) and in real-time between the two locations. Even in the event of a total outage at one facility, the other will continue to operate unimpeded. Remote staff can also change their storage connection to the operational facility. Affected office staff would temporarily become remote staff until their assigned facility is returned to service, at which time the redundant storage would automatically resynchronize.

Administrative and client management systems are cloud-based, hosted by the same firm that provides the hardened environment for Xpress-pay. By virtue of their architecture, these applications and their related information can be accessed from any connected location 24x7.

Our administrative environment was deliberately designed to provide uninterrupted functionality in the event that one of our locations becomes entirely unavailable. In such case, our Business Continuity and Disaster Recovery Plan involves immediate staff relocation, connection to the unaffected office, repairing the affected facility or securing a new one, and equipping the location as necessary. We have heavily leveraged contemporary technology to virtually eliminate the impact of a catastrophe.

Customization

Since its release in 2005, Xpress-pay has benefitted from continuing investment. As a result of millions of dollars in programming by our dedicated team and requests from thousands of clients over fourteen years, the feature list is extensive. Even so, our work is never complete.

Since Xpress-pay is a proprietary product of Systems East, our clients and staff have the ability to request new features. This occurs with great regularity, so our full time, entirely domestic Development Team is assured of job security for years to come. As a result, Xpress-pay is richly featured, and can readily accommodate the evolving needs of any organization regardless of its mission or size.

Assessing needs first is far preferable to explaining the multitude of features and allowing clients to select applicable components. Similarities to and differences from other industry participants will be identified, and components that best accommodate your specific needs will be deployed. Where necessary, custom programming is available at the prevailing hourly rate.

Scalability

Xpress-pay can accommodate the smallest to the largest of companies. Once a merchant account is activated and credentials are available, new payment types can be added in minutes.

If a merchant account must be secured as a prerequisite, the timeframe is largely dependent upon the application and underwriting process of the preferred merchant service provider.

As an example of our ability to accommodate volume, one of our Tier One banking partners recently secured a large property management firm, initially with 520 home owner association clients. Each HOA required a separate deposit account and thus, separate merchant accounts for both cards and eChecks. This translated to 1,040 account activations.

The effort was assigned to a designated Project Liaison, who directly supervised the Support Group's configuration of each as they arrived over a period of six weeks, even as they continued to

50 Clinton Avenue
Cortland, New York 13045
(607) 753-6156

400 South Atlantic · Suite 112
Ormond Beach, Florida 32176
mail@systemseast.com (v1.13)

board the regular flow of other incoming business. New HOA's continue to be added weekly, and there now approximately 600 participating HOA's.

At the hub of this activity is our proprietary Client Management System (CMS). Years ago, our business goals and ensuing trajectory made it clear that commercial sales and process management solutions were not capable of accommodating our unique needs. After a separate substantial and ongoing investment, CMS has become the hub of our sales and account activation activity.

Its electronic checklist component provides a reliable means to methodically deploy new clients, add payment types, and adjudicate other common tasks such as routine email communications from templates, adding eCheck acceptance, etc. As a cloud-based system, it also enables staff in any location to complete tasks. CMS also automatically advances the electronic checklist through our departmental structure. i.e. Sales, Enrollment Services, Client Support, Accounting, and Auditing.

Our investment in CMS is rapidly approaching one million dollars. While our continuing investment in Xpress-pay demonstrates our commitment to product advancement and customer satisfaction, the ongoing investment in CMS shows that we are equally committed to incorporating efficient internal processes that are necessary to support our continuing expansion.

Cost

Initial and ongoing base fees are deliberately minimal to ensure they are not an obstacle to participation. We primarily derive our revenue from transactions. The majority of our customers choose to pass these costs on to the consumer, which results in little or no cost to the client.

In the event that a client elects to pass the fee onto the consumer using our proprietary site fee model, multiple fee structures are available: fixed percentage, fixed fee, or a combination thereof. The site fee can be processed as a single transaction with the primary payment, or it can be processed as a separate transaction via our Dual Deposit structure. In the latter, primary proceeds can be directed to a bank account that is separate from the bank account to receive the site fee. The site fee account can be held by the client or a participating third party.

Implementation timeline

Xpress-pay is available for deployment at any time as we have support staff readily available. Once we receive the merchant account credentials, the average configuration, verification, and deployment timeframe is three business days or less. In the event of bulk enrollments, the time for each would be significantly reduced as they would occur simultaneously.

As noted earlier, prior to the merchant account acquisition process, our team hosts discussions with clients to determine requirements, select features, and devise a process for efficient information exchange, deployments, and training.
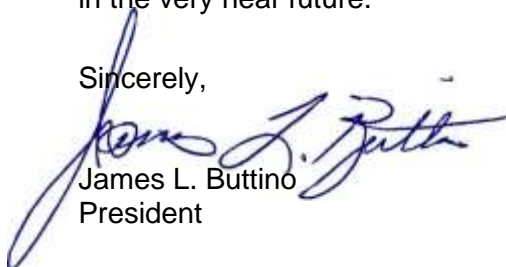
Reference Accounts

Xpress-pay currently serves over fifty sectors, providing secure ePayment services to thousands of businesses, state and local governments, and benevolent clients, and to millions of consumers. Our client portfolio includes insurance providers (from carriers to agencies), property management firms, utility providers, service industries (security, HVAC, pest control, landscaping, etc.), benevolent organizations, political campaigns, towing and recovery, and a host of others. If an organization receives revenue, chances are we can help.

50 Clinton Avenue
Cortland, New York 13045
(607) 753-6156

Xpress-pay
Your Partner in ePayments

400 South Atlantic · Suite 112
Ormond Beach, Florida 32176
mail@systemseast.com (v1.13)

While the forgoing provides a synopsis of Xpress-pay and the people behind it, some in this audience may be in need of features that were not addressed here or discussed prior. If this is the case, please ask, as it is highly likely that we have already accommodated them. As always, communication is imperative to a successful project.

Thank you for your interest in the products and services offered by Systems East. We appreciate the opportunity to earn your ePayment business and look forward to servicing you and your customers in the very near future.

Sincerely,

James L. Buttino
President

JLB/jd

50 Clinton Avenue
Cortland, New York 13045
(607) 753-6156

Xpress-pay
Your Partner in ePayments

400 South Atlantic · Suite 112
Ormond Beach, Florida 32176
mail@systemseast.com (v1.13)

50 Clinton Avenue
Cortland, New York 13045
(607) 753-6156

Xpress-pay
Your Partner in ePayments

400 South Atlantic · Suite 112
Ormond Beach, Florida 32176
mail@systemseast.com (v1.13)