



Product Descriptions

Affirmative's CheckVerifyNow™ suite of check verification services offers access to multiple national check verification databases through a variety of communication methods to satisfy multiple business models. The benefits of the various CheckVerifyNow™ services is to reduce the losses due to bounced checks for retailers of all types, reduce the costs and increase the efficiency of RCK processing, and to augment various types of ACH processing with increased check and account information on consumers.

NCN Negative/Positive Database

Product Description: The National Check Network ("NCN") is a database of negative and positive check writer information accumulated by over 260 collection agencies, processors, banks, and their participating merchants. NCN maintains an extensive Negative database that contains over 22 million negative items. Collection agencies contribute data to NCN on a daily basis keeping the data relevant and accurate. These daily updates allow check writers to regain their check writing privileges on NCN faster so retailers can accept more checks as customers pay off their balance of unpaid checks.

In addition to negative data, NCN maintains a Positive database that contains over 138 million accounts and associated IDs in the form of Driver's Licenses. Positive information is accumulated by NCN as NCN users authorize checks through NCN. This positive database allows tracking of check writer activity which can be an indicator of fraud. Several different limits can be placed on the check writers to reduce possible fraudulent check writing such as maximum check amount, number and amount of checks written in a day or week by a single check writer, and many more.

Methods for accessing and using the NCN Service:

Internet Virtual Terminal: A simple webpage can be accessed by merchants, banks, and businesses of all types that will allow hand entering of the MICR and optional Drivers License information on a check writer. Optionally, a check reader can be attached via the computer's keyboard to automatically read the MICR information to increase the speed and accuracy of the verification process. This webpage can easily be private-labeled with your company's name and logo for resell to businesses wishing to use the service.

Web Service: The CheckVerifyNow™ Web Service is an application that exposes the functionality of the Internet Virtual Terminal previously described to other web service clients. The clients of this web service may be browser-based applications, components or even other web services. The web service is accessible from any kind of application, including other web services, web applications, windows applications, and console applications. The only requirement is that the client must be able to send, receive, and process messages to and from the web service. The technical specification for using this web service is available for developers upon request.

Batch File Processing: The NCN database is also available for batch verification processing by dropping a comma-delimited text file containing the MICR and optional DL information for each check, ACH, or RCK transaction you wish to verify prior to processing. A comma-delimited results file is created containing the original request and the responses from NCN.

Dial-up Access via Credit Card Terminals: The NCN database will also accept dial-up transactions from many common credit card terminals. Transactions can be conducted using a check reader for electronically reading the MICR data, hand-keyed or swiped Driver's License information, or a combination depending on the capabilities of the Point of Sale terminal equipment.

NCN Plus the Decision Chek Database (Check Availability)

Product Description: This service processes each check inquiry through two different databases. First through NCN and if there is no negative data reported on NCN for the MICR then the transaction is forwarded to the Decision Chek database. The Decision Chek database is maintained by Primary Payment Systems (PPS) and contains Closed Account information covering over 207 million draftable accounts and nearly 18 million stop payment records. The negative information contained in the Decision Chek database is supplied to PPS by participating banks from around the country. On a daily basis, many major U.S. financial institutions from across the country contribute and share information on accounts and transactions to the Decision Chek database. For an average retailer, the number of checks taken that Decision Chek may contain data on based on the local participating banks is 30% or more making Decision Chek an excellent addition to NCN for reducing your risk of fraud related transactions.

Methods for accessing and using the NCN Plus Decision Chek Service:

Internet Virtual Terminal: (Same as described under NCN)

Web Service: (Same as described under NCN)

Batch File Processing: (Same as described under NCN)

Dial-up Access via Credit Card Terminals: (Same as described under NCN)

NCN Plus the SCAN Database (Check Availability)

Product Description: This service processes each check inquiry through two different databases. First through NCN and if there is no negative data reported on NCN for the MICR then the transaction is forwarded to the SCAN database. The SCAN (Shared Check Authorization Network) database is similar to NCN in that it is a database of known bounced checks supplied by large retailers. These retailers update the SCAN database as collections are made allowing the check writer to regain their check writing privileges. Once a retailer clears checks from the SCAN database, the consumer will no longer be declined by the SCAN system. SCAN is a negative database only and does not provide any positive history

on check writers. SCAN has also been rated as the largest of the negative check databases by the Nilson reports.

Methods for accessing and using the NCN Plus SCAN Service:

Internet Virtual Terminal: (Same as described under NCN)

Web Service: (Same as described under NCN)

Batch File Processing: (Same as described under NCN)

Dial-up Access via Credit Card Terminals: (Same as described under NCN)

Star Chek Database (Check Availability)

Product Description: Consists of the Primary Payment System's ("PPS") negative database, which includes accounts defined as closed accounts, closed for cause, select NSF-Overdrawn accounts, stop payments and other high risk accounts. Star Chek also includes the PPS positive database that reports if the account is a valid account. On a daily basis, many major U.S. financial institutions from across the country contribute and share information on accounts to this database. Nationally, approximately 30% of all checks taken at the Point of Sale are drawn on a participating bank that contributes to the Star Database. Some areas of the country have a higher penetration reaching 50% and 60% depending on the number of locally participating banks in the area.

Transaction Eligibility: The Star Chek database provides for both customer present and non-present transactions. RCK and Payday advance/loan transactions are not eligible for verification on the Star Chek Database.

Methods for accessing and using the NCN Plus SCAN Service:

Internet Virtual Terminal: (Same as described under NCN)

Web Service: (Same as described under NCN)

Batch File Processing: (Same as described under NCN)

Dial-up Access via Credit Card Terminals: (Not Available)

CheckVerifyNow™ Service Pricing

Transaction Pricing		
<u>Service Type</u>	Communications Method	
	A. Internet Virtual Terminal B. Web Service C. Batch File Processing	Dial-up via Credit Card Terminals
NCN	\$0.05	\$0.07
NCN+Decision Chek	\$0.05 Plus 20% of the \$Amt of the DC Declines	\$0.07 Plus 20% of the \$Amt of the DC Declines
NCN+SCAN	\$0.13	\$0.15
Star Chek (Customer Present)	\$0.17	n/a
Star Chek (Customer not Present)	\$0.21	n/a

Note: Volume discounts are available for volumes over 100,000 transactions/month

Setup Fees: \$500 one-time setup fee per ATI customer/reseller

Monthly Fees: \$5.00 per Merchant/Terminal ID in use. (Only 1 TID required for batch file processing)

Monthly Minimum: \$100/month per ATI customer/reseller

Dial-up Terminal Programming and Merchant Support:

Two different scenarios exist when setting up merchants for check verification using dial-up Credit Card Terminals and check readers. 1) Merchant has existing equipment, or 2) Merchant requires new equipment to be shipped.