



## Welcome to CHEKXCEPT™ Card

ChekXcept™ is introducing a check cashing card this month. The ChekXcept™ Card is a card issued by us to your customers. The application process is simple and the purpose of the program is to obtain a wealth of information on your check writers BEFORE they write checks. Let's face facts. It doesn't matter whether you have the latest check verification system, unless you are prepared to pay the high cost of check guarantee, which we also have

available through an affiliate program, then a bad check writer is going to find a way to beat you. The ChekXcept™ program is based on positive information collected from your check writers prior to their using a check for the payment of goods and services at your store.

If you have ever attempted to collect a bad check you know that the only information you have to work with is the information on the

check itself or perhaps some information you may have on file about this customer. Either way, there is a limited amount of information you can use to collect the debt. According to the U.S. Census Bureau, 33% of all Americans change their contact information each year. So collecting a debt is not as easy as it may seem. Our new ChekXcept™ Card can be used anywhere in our network of merchants and it tells you that the

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## Check Payment Options Important to Consider

Companies offering retail products to the public need to consider current economic pressures affecting American consumers. Higher gas prices have resulted in a fifty percent increase in expenditures by the average consumer for fuel prices. Twenty dollars of gas could get you a ½ tank or more at \$1.97 to \$2.02 per gallon. Now, at \$3.09 and going up, consumers are putting in \$40 and \$50 while not even seeing a full tank. This is creating higher credit card expenditures because consumers are trying to hold on to their pocket cash while America's debt is increasing at an alarming rate. Non-cash payment options in the form of checks have become a smart choice for

merchants seeking to attract consumers to buy their goods and services. When credit cards have high balances, consumers look for cash to either (a) pay down on their credit card balances or (b) purchase goods or services without using a credit card. During the course of an average year, bank loans, home equity loans and refinanced mortgages place substantial cash into consumer checking accounts, as well as tax refunds, sales of liquid assets, inheritance and real estate sales. Based on consumer statistics available from many sources, the average American household enjoys more than one extraordinary cash deposit to their checking account per year.

Upon that occurrence, the consumer is then in a position to make a sizeable purchase using a check. Retail companies accepting check payment options are the beneficiary.

The second economic force to consider in determining payment options is the millions of legal and illegal immigrants and other foreign nationals living, working or studying in this country. Most of these individuals have not established credit and many use their checking accounts exclusively. This consumer group is an untapped market and a merchant offering a check payment option would attract buyers from this group. ▲



# Welcome to CHEKXCEPT™ Card

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person standing at your register has **voluntarily provided** detailed contact information about themselves to our **POSITIVE** database. If that check is returned unpaid, we have more information than previously available to us to attempt recovery of your lost revenue the very same day we receive the returned check from your bank. A check card using a positive database has never been offered before. The check collection industry revolves around selling you programs that you have to pay for so you can offer a check payment option to your customer.

We believe the check writer should pay for the right to use a check and you should expect a check writer to be willing to provide their personal information **BEFORE** they use a check at your establishment. The check writer **MUST UPDATE** their information each year. Every ChekXcept™ card will carry an expiration date. All your cashier needs to do is to look at the name on the card and the expiration date and make sure the name on the check matches the card holder name. No more writing phone numbers on

checks that we can't read. No more writing driver licenses on checks that we can't find. No more bad addresses or phone numbers.

**Good check writer customers should embrace this program because it speeds up their visit to your register and moves your register lines faster. It also allows them to use the card and write a check at other stores in the growing network.**

**Check writer customers that complain about your new program are probably the ones that will write you the bad check.**

**The CHEKXCEPT™ card will allow your cashier to work faster and check through more sales during a given work shift.**

**IF YOU'RE GOING TO OFFER A CHECK PAYMENT OPTION, YOU NEED THE CHEKXCEPT™ CARD!**

When you are part of the ChekXcept™ Network, we post your store name and location on our web site. Card holders can visit the site and see where their checks are accepted. You will have access to your card holder database for pro-

motions and mailings that offer check writers special incentives to shop in your store.

We notify every merchant of every bad check writer in our system, whether they wrote a check in your store or in a store in Missouri. This is the beauty of the ChekXcept™ Card. You can promote sales to good check writers in your regional area or on-line. We have arranged for a leading web site design company to work with you to design your own web site if you need one and we will provide a free link to your site from the ChekXcept™ site. This program was designed to provide you with more protection against lost revenue from bad check writers and offer you opportunities to increase your sales by expediting your check out services and introducing your goods and services to a broader range of customers.

This is the beginning of a new and exciting program and you need to become a part of it right now. Call us at 1-888-282-2802 and ask for Lou Perosi, Jr. We will be glad to come out and talk to you more about the ChekXcept™ card. A sample application on page 4 and a sample card below are enclosed for your review. ▲



#### Authorized Signature

*The above signature authorizes the participating merchant or his agent, ChekXcept™, to debit my account electronically for the face amount of any returned check plus a processing fee amount as allowable by any state law, in the event a check I write at any location within the ChekXcept Network™ is returned unpaid. I further acknowledge that this authorization is expressly given and implied every time and any time I write a check at any participating merchant location within the ChekXcept Network™. I also acknowledge and understand that I may revoke this authorization by calling 1-888-282-2802. If I revoke this authorization, this ChekXcept Card™ will be cancelled and my right to use a check to pay for goods and services at member locations will be revoked.*

Valid use by Cardholder Only  
www.chekxcept.com  
1-888-282-2802



Check Writer information  
must be updated annually



# Check 21. Electronic Deposits

By now you have heard that many banks are offering you programs that allow you to set up either *Point of Purchase* check readers or *Back Office Conversion* programs where consumer checks are handled electronically.

The *Point of Purchase* program involves the purchase of check readers at your check out locations. The checks are scanned into a software program that captures the image of the check, the amount and all the other bank information found on the check. The check is then voided and returned to the consumer. At certain times during the day or, at the end of the day, the merchant compiles an electronic deposit from the information captured by the software and sends the deposit to the bank. The bank electronically collects the checks and deposits the funds into the merchant's account. If a check is returned unpaid, the bank will reverse the check amount from the deposit, notify you and you have to collect the check on your own.

The *Back Office Conversion* program relies on the same principle but instead of reading the check and giving it back to the consumer, the checks are read into a software program down loaded on your PC. The checks are verified, a deposit slip is made on screen and the checks are electronically sent to the bank for deposit. If a check is returned unpaid, the bank will reverse the check amount from the deposit, notify you and either you have to collect the check on your own or it is sent to your collection company. The cost of these programs and others that provide electronic crediting and

debiting of checking accounts at regular intervals, like payments for a car loan, is high. Check readers range in price from \$450 to \$1500. The software needed to run these programs can cost as much as \$1,500. There are set-up fees that can be as high as \$150, for every check read through the scanners the fees can be as much as \$0.85 per check, monthly maintenance fees can range from \$50 to \$150 and monthly billing charges can range from \$12 to \$25. You may also be asked by the bank offering you the program for (i) a positive financial reference, (ii) your standing with the Better Business Bureau, (iii) your credit score, (iv) your financial statement or the financial statement of your business and (v) sometimes a bank may decline you for a program if you have too many bad checks, usually more than 2% of all your checks received from consumers.

We can provide you with that analysis free.

If you would like to know more about our electronic programs, please give us a call before obligating yourself to the terms of an agreement from another company soliciting this type of business. Call us at 1-888-282-2802. ▲

## Credit Bureau Reporting

Effective March 1, 2007, all bad check writers are now being reported to the three largest credit bureaus. The bad check writers will continue to have this information posted on their credit profile until they pay the check in full, at which time we will remove the information. ▲

## New On-Line Check Status

Recently, we introduced collection status reporting for NSF checks on-line. Now you can go on-line, enter a password we provide to you and check the status of your NSF check collections. You can search the site by name, date and more. If you haven't used the site yet or are not familiar with how to use it, please call our office for a more information and a demonstration.

You now can also go on-line and check the status of your Hard Money checks. Those are the checks that are "Closed Account", "No Account Found", "Stop Payment", etc. You can check this status by calling our office and getting your passwords. We'll tell you where to go and how to use this new service we now provide. ▲

## Give Us Your Shoe Boxes

We have been collecting bad checks for seven years. One of our specialties is collecting Non-NSF checks, you know, "Refer to Maker", "Stop Payment" and all the others. If you are a customer of ChekXcept,™ you should know that we will initiate collection procedures on checks up to three years old. If your company has bad checks which have never been collected and you want us to attempt collection, give them to us. **No Collection, No Cost!** At the very least, each bad check writer will be reported to the credit bureaus. ▲





# CHEKXCEPT™ ENROLLMENT APPLICATION

- New Member     
  Lost Card/Replacement     
  New Household Member  
 Address/Other Correction     
  Renewal     
 **Fields With Red Asterisk Are Required**

**ChekXcept™  
Account Number**

*SEX	RACE	HEIGHT	WEIGHT	*LAST 4 DIGITS OF SOCIAL SECURITY NUMBER
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\*RESIDENCE STREET ADDRESS

### For Office Use Only

\*CITY, STATE, ZIP

\*HOME PHONE

\*BUSINESS PHONE

CELL PHONE

\*ARE YOU CURRENTLY EMPLOYED?     YES     NO    \*IF YES BY WHOM?

\*BUSINESS ADDRESS — City, State, Zip

\*DRIVER LICENSE # / STATE

\*EMAIL ADDRESS

\*NAME OF THE BANK CURRENTLY USED FOR CHECKING

\*BANK ADDRESS • CITY, STATE

Your residence over the past 5 years if different than above:

\*STREET ADDRESS

\*CITY, STATE, ZIP

**PRIVACY POLICY** - The applicant acknowledges and agrees that only the name, address, telephone number and email address may be released, sold or assigned for purposes of providing the enrollee with discounts and other shopping incentives when using a check to purchase goods or services. All other information obtained herein shall remain completely confidential and will be safeguarded against unauthorized use. Other than the name, address, telephone number and email address indicated above, all other information shall not be released, sold or assigned by American DebtWorks, owner/operators of the ChekXcept™ Card. However, all the information collected herein will be used in the legal collection of a debt, in the event the enrollee writes a check that is returned unpaid.

**Complete and sign this application and be pre-approved to use your personal check to purchase goods and services at all participating ChekXcept™ merchant locations.**

**ALL INFORMATION WILL BE VERIFIED. INVALID INFORMATION WILL REVOKE CARD PRIVILEGES**

This card can only be used by the applicant and cannot be assigned or used by any other member of the household. All other family members, including your spouse, must apply separately.

### ChekXcept™ Authorization

The undersigned authorizes the participating merchant or his agent, American DebtWorks, Inc. dba ChekXcept™ to debit my checking account electronically for the face amount of any returned check plus a processing fee as allowable by state law, in the event a check I write at any location within the ChekXcept™ network is returned unpaid. I further acknowledge that this authorization is expressly given and implied every time and any time I write a check at any participating merchant location within the ChekXcept™ network where the ChekXcept™ logo is displayed. I also acknowledge and understand that I may revoke this authorization by calling 1-888-282-2802. If I revoke this authorization, this ChekXcept™ Card will be cancelled and my right to use a check to pay for goods and services at member locations will be revoked.

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**CHECK WRITER INFORMATION MUST BE UPDATED ANNUALLY ONLINE AT [WWW.CHEKXCEPT.COM](http://WWW.CHEKXCEPT.COM). FAILURE TO UPDATE INFORMATION ANNUALLY INVALIDATES CARD!**