

Cando

From the Ground up

***Under assumption of
confidentiality and rights***

In the beginning

1996-2006

- Multi-application smart cards fascinated me as a means of reducing the bulk we carry about
- So why not PDA, phone, keys and wallet in one [My Wallet](#)
- [Market research proved the desire to reduce bulk](#)
- Consumers got the idea of merging cards into smart cards

2007-present - achieving ubiquity

- Brand and revenue are the issues
- iPhone, mobile wallets, mobile applications proliferate
- Most Wallets focus on payments
& are linked to Banks and MNOs “Mobile Network Operator”

Problem Definition

Cyber-terrorism is real

- Physical Access Security
- Logical Access Security
- Transaction irrefutability

Credit and Debit Card fraud continues to grow

- EMV is happening everywhere but in the USA
- PCI DSS is not the solution

People carry way too much in their pockets

(identity, service, membership, loyalty, air miles, coupons, keys, MasterCard, Visa, American Express, Discover ...)

***We will pay for consolidation
As a convenience***

[PCI DSS – Payment Card Industry Data Security Specification](#)

[EMV – Europay, MasterCard and Visa Specification for ICC “Chip Cards” for Credit and Debit Card Payments](#)

Citizens are our customers

Other Mobile Wallets are payment or syndicate related

- Payments begs the question of revenue sharing
 - Interchange, regulation, merchant dissatisfaction ...
- Brand is too often part of the problem
 - Whose brand?
 - Control over how someone's brand is presented
 - Who owns/exploits the relationship with the citizen

Digital identity is the citizen's responsibility

- Make it easy and transparent
- Offer any enterprise a digital trust mechanism

Our customer is the citizen who wants to be trusted

Cando starts on the easy relationships

Cards with no security features today

The focus is on reducing what the citizen carries

- ✓ **One Thing (wallet, keys, phone, cards, coupons, receipts)**

Cando focuses on the citizen

Merchants understand that something is changing and want the right solution

- Cost of payments
- Interchange/PCI/EMV/Contactless
- Regulatory oversight

Offer a cost effective solution
They will pay

Citizens are not comfortable with the Banking system

Yet know they need a strong one

Cyber Terrorism and identity theft is very real

Authentication, Authorization and Approval

Cando

The vision - move all ***cards***, keys, PDA, MP3, camera, diaries, contacts, memos, email, browsers, memory stick and phone(s) into a sleek leather wallet/purse

With a very secure brick inside

Build value by focusing on enabling relationships

Provide the trust, security and privacy necessary on the Internet

Build mechanism to assure open delegation of authority and privilege to enable access to relationship partners

Build efficient means of supporting digital identity, mutual authentication, transaction security and data confidentiality

**Cando merges cards, keys and the phone
Into a new age device that can do it all**

Identity With Cando Is Possible Anywhere



Year One

My Card Financial Projection

Year One by Month planning sheet

		Month												Total
		1	2	3	4	5	6	7	8	9	10	11	12	
Staff Level at year end	7	0	0	0	1	2	3	3	4	5	5	6	7	
Facilities										\$ 2,654	\$ 2,654	\$ 2,654	\$ 2,654	\$ 10,617
Telecom	See Day One For Baseline	\$ -	\$ -	\$ -	\$ 1,036	\$ 2,071	\$ 3,107	\$ 3,107	\$ 4,143	\$ 5,179	\$ 5,179	\$ 6,214	\$ 7,250	\$ 37,286
Marketing				\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 30,000
Literature and content			\$ 15,000										\$ 25,000	\$ 40,000
Salary		-	-	-	5,679	11,357	17,036	17,036	22,714	28,393	28,393	34,071	39,750	\$ 204,429
Growth Factor														
My Cards Units Sold	100%				1000	2,000	4,000	8,000	16,000	32,000	64,000	128,000	256,000	511,000
Operating Expenses		\$0	\$15,000	\$3,000	\$9,714	\$16,429	\$23,143	\$23,143	\$29,857	\$39,226	\$39,226	\$45,940	\$77,654	\$322,331
Phase 1 Software		10000	10000	30000		25000				50000	50000			\$ 175,000
Net Revenue	\$8.03	-	-	-	-	-	32,130	64,260	128,520	257,040	514,080	1,028,160	2,056,320	\$4,080,510
Investment		\$ 20,000	\$ 20,000	\$ 50,000	\$ 20,000	\$ 20,000								\$ 130,000
Monthly Income		(10,000)	(25,000)	(33,000)	(9,714)	(41,429)	8,987	41,117	98,663	167,814	424,854	982,220	1,978,666	\$3,583,179
Running Cash In		\$20,000	\$40,000	\$90,000	\$110,000	\$130,000	\$162,130	\$226,390	\$354,910	\$611,950	\$1,126,030	\$2,154,190	\$4,210,510	\$4,210,510
Running Cash Out		\$10,000	\$35,000	\$68,000	\$77,714	\$119,143	\$142,286	\$165,429	\$195,286	\$284,511	\$373,737	\$419,677	\$497,331	\$497,331
Net Cash Balance		\$10,000	\$5,000	\$22,000	\$32,286	\$10,857	\$19,844	\$60,961	\$159,624	\$327,439	\$752,293	\$1,734,513	\$3,713,179	\$3,713,179

Card Manager
Identity Protection
Payment Concierge
Home, Car and Office
**It is all about
INTEGRATION**

www.peterlik.com

A diagram of a credit card with a purple and blue gradient background. The card features a numeric keypad (1-9, *, 0, #) on the left, a central navigation pad with a blue circular button and four directional arrows, and a fingerprint scanner below it. At the top left are 'Cancel' and 'Clear' buttons, and at the top right are 'Ok' and 'next' buttons. Text on the card includes 'Keyboard Command Navigation Electronic PIN PAD' and 'EMV, PCI, PIV HIPAA ... certified'. Dimension lines indicate a width of 3.375 inches and a height of 2.125 inches.

Cancel Clear Ok next

1 2 3
4 5 6
7 8 9
* 0 #

Keyboard
Command
Navigation
Electronic PIN PAD

EMV, PCI, PIV HIPAA ... certified

3.375"

2.125"

Cando's long term objective

Operate the Registrar

- Annual recurring revenue
- Maximum units under management = 1 per Homo Sapiens
- Be able to kill any EPP – “Electronic PIN Pad w/ biometrics”

Manage the Specifications and Type Approval process

Assure long term integrity, through diligent consultative design reviews and cyclic updates, of the platform

Assure relevance and openness

Always mindful of the cost of change and the beauty of durability

Cando assures everything

Cando focuses on a security and trust architecture

For the Citizen

How do We Assure that You are You

Multi-factor Authentication is required

Biometrics and a physical card is effective

Mobile Phone is a great option

NFC and Contact should be considered

Security and defining Trust are key

NFC - Near Field Communications

Cards & Certificates Work

Encryption, Secrets and Certificates Work

Asymmetric and symmetric cryptogram

Understand that key length must
continuously evolve

Digital signatures provide irrefutable proof

What about visual

Magnetic stripe, MICR, OCR and 2D barcode

Each Card Represents a Relationship

What if a relationship can ask Cando to load applets, data and certificates

We then empower these enterprises to interact with us

Their applet is triggered when Cando enters their hot zone

The user accepts or denies the connection request

The retailer can smart market to the consumer in the store

Today it's not safe out there

Trust Between the Parties Must be Assured

Products within the Cando World

- My Cards Software manages, presents and supports the privileges and authority associated with relationships
- My Home The mobile phone as the console for “**high end**” home automation and surveillance
- My Car The mobile phone is the key for “**high end**” automobiles integrating music libraries, hands free, GPS, Navigation and ...
- My Wallet A “**high end**” smart phone stylized by NYC, Paris, Palm Beach, Monte Carlo, ...
- The EPP A physically hardened secure component integrating screen, keyboard, fingerprint scanner, secrets and secure execution into every mobile phone

Four phases over 10 years

Initial release month four	My Cards – iPhone, RIM, Android, Microsoft Mobile...
Year 2 Expansion	Integrate keys and payments Add My Home and My Car to product list Integrate with NFC enabled phones Develop prototype My Wallet and EPP Propose consumer centric authentication
Year 3 Splashy launch of my wallet	My Wallet – The high end Cando Ready to be copied by anyone Complete the development of the Registrar
5 years to build agreement and global demand	Drive global deployment of EPP Transition to open EPP and annual registrar fees

Identity

With Cando

Is Possible Anywhere



Five Year Cash Flow

Summary	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Revenue	\$ -	\$ 68,685	\$ 9,779,040	\$ 49,872,603	\$ 74,838,214	\$ 105,222,046	\$ 151,293,799
Registered EPP Users		10	1,010	21,010	999,805	2,957,396	6,872,578
Investment beyond FTE Work Product		\$ 1,500,000	\$ 2,000,000	\$ 6,000,000	\$ 2,250,000	\$ 2,250,000	\$ 250,000
Cost		\$ 105,260	\$ 6,051,010	\$ 16,121,010	\$ 9,763,927	\$ 11,845,640	\$ 24,649,065
Margin	\$ -	\$ (1,536,575)	\$ 1,728,030	\$ 27,751,593	\$ 62,824,287	\$ 91,126,407	\$ 126,394,734
Contingency		\$ (153,658)	\$ 172,803	\$ 2,775,159	\$ 6,282,429	\$ 9,112,641	\$ 12,639,473
Salary And Commission	\$ 226,107	\$ 2,541,243	\$ 7,118,692	\$ 16,915,848	\$ 23,577,277	\$ 34,461,727	\$ 47,906,338
Employee Benefits @15%	\$ 33,916	\$ 381,186	\$ 1,067,804	\$ 2,537,377	\$ 3,536,592	\$ 5,169,259	\$ 7,185,951
Marketing and Facilities	\$ 136,010	\$ 934,692	\$ 1,943,593	\$ 6,957,500	\$ 11,009,457	\$ 4,827,684	\$ 13,047,331
Net Profit Before Taxes	\$ (396,033)	\$ (5,393,697)	\$ (8,402,059)	\$ 1,340,869	\$ 24,700,960	\$ 46,667,737	\$ 58,255,114