



Executive Summary

Winner of the 2015 PYMNTS Award for Best Check Innovation, MyECheck Inc. is a leading electronic payment technology developer, licensor and payment services provider. MyECheck operates under license to US Patent 7,389,913, “Method and Apparatus for Online Check Processing” granted June 2008. This patented payment method is the fastest, most secure and most cost effective method of processing payments in the US. MyECheck provides comprehensive payment solutions for all payment applications including mobile payments and the industry’s most advanced security and fraud control technologies. MyECheck customers include corporations, retailers, governments, payment processors and financial institutions.

Business Summary

MyECheck, Inc. (“MyECheck” or the “Company”) is an early stage company engaged in the payment processing industry; specifically MyECheck provides electronic check (“electronic-check”) services to businesses of all sizes, payment services providers, financial institutions and government entities. MyECheck was founded and incorporated in Delaware in October 2004 to capitalize on opportunities created by the passing of The Check Clearing for the 21st Century Act (“Check 21”). On May 25, 2012 the Company was redomiciled in the State of Wyoming. MyECheck has commenced formal business operations and is generating revenue.

MyECheck was created to satisfy the demand for an alternative payment solution to ACH based e-check solutions, and credit and debit cards for remote and mobile commerce. MyECheck has developed and utilizes a proprietary method of creating and clearing fully electronic checks on behalf of its customers, having successfully implemented its proprietary electronic check service that enables companies to accept real-time check payments from consumers and businesses online or over a mobile device.

MyECheck provides additional services to support its electronic check service including fraud loss prevention services. MyECheck also provides a number of services such as mobile payment services and custom software development and licensing.

Operations

MyECheck’s primary business operations have been established in greater Sacramento, CA area. The Company leases approximately 7,000 square feet of class A office space in Folsom CA. MyECheck currently employs about 17 people as full-time employees or contractors, and also use outside contractors. The Company’s data center operations are hosted as QTS state of the art hosting facility in Sacramento.

Revenue

Revenue is generated from transaction fees charged to companies that contract with MyECheck to utilize the Company’s services. In addition, the Company also generates revenue from software licensing and maintenance fees. The Company charges a flat fee per transaction that is relatively low in comparison to card interchange rates plus fees. A transaction fee is charged per electronic check and per use of the fraud control tools. Fees for fraud control vary according to the amount of fraud screening required per each merchant.

Company Competition

MyECheck’s competition includes other payment methods such as credit and debit card processing systems, Automated Clearing House (ACH) processing systems, paper checks and even cash, along with other electronic check processing systems.



Although there are a very large number of companies selling credit card services called Independent Sales Organizations (ISOs), virtually none of these sell electronic check services.

The Company has many competitive advantages over ACH based e-Checks. Because MyECheck does not use the ACH network, transactions are not subject to National Automated Clearing House Association (“NACHA”) regulation, including their rules, fees and fines. Electronic checks are governed by Uniform Commercial Code and federal Check 21 regulations which are more favorable to the Payee than NACHA rules. Electronic checks work with more bank accounts than ACH payments, resulting in fewer items being returned unpaid. Electronic checks also clear at least a day faster than ACH items.

However, ACH processing systems are more well-established within the marketplace, and the industry has invested considerable resources in ACH processing systems. ACH rules make it easier for a payer to reverse a transaction after it clears affording more convenient fraud protection for consumers but a much weaker fraud protection for the recipient of the payment.

E-commerce & The Mobile Payments Industry

The payments industry is going mobile, and the mobile payments industry is exploding with growth. Companies such as Apple, Google, Microsoft, Amazon and Starbucks, all companies not known for being payments companies, have entered the mobile payments arena. The industry could be the largest in the world, with trillions of dollars in processing at stake.

MyECheck believes its product mix to be the optimum offering to engage in the mobile payments industry. The Company’s fully electronic check service clears checks the same day from any checking account, therefore MyECheck believes that the electronic check is the fastest and safest method of loading money onto mobile wallets at a low cost. The Company’s mobile app systems can be adopted by anyone, anywhere, anytime enabling low cost, secure mobile commerce without any barriers to adoption such as swipe devices or NFC hardware.

MyECheck’s Mobile Product Strategy

MyECheck’s strong competitive advantage as an electronic payment platform is its exclusive ability to enable transfers from any checking account. MyECheck believes that electronic checks clear faster, have fewer returns and are lower in cost than ACH e-Checks and card transactions. The benefits are substantial making the MyECheck platform clearly superior in many ways for mobile payments.

In anticipation of the shift to mobile payments, MyECheck has built the innovative eMobile Payment Apps for Android and Apple. The eMobile app brings to the market the ability for merchants and businesses to accept mobile payments, without the high risk of fraud and chargebacks, and at a fraction of the cost of card based payments.

The technology that MyECheck Inc. has built is also able to be licensed and used inside of private applications for enterprise level businesses that wish to drive payments through their own payment system in order to lower risk and significantly decrease payment processing costs.

Sales & Marketing Strategy

MyECheck’s primary marketing strategy is the use of partners such as Independent Sales Organizations (ISOs) and other payment services providers as resellers. The company is also focusing on organic search



optimization, both on search engines and within the app stores in order to create a solid inward flow of organic traffic and customers. Multiple social media and networking strategies will be used for branding and to convey the benefits of the product to the market. Industry specific marketing strategies will be used to establish and target the most profitable business segments. Direct outreach will also be employed to create relationships with important organizations within prime target industries.

The company will employ top outside salespeople to focus on creating relationships with potential resellers and enterprise level accounts.

US Patent 7389913 Method and apparatus for online check processing

MyECheck believes that US Patent 7389913 describes a method for creating a new payment instrument that the Federal Reserve is naming “electronic check”. MyECheck has the master license to US Patent 7389913. MyECheck owns proprietary software and intellectual property, and licenses patented technology from the Company founder Edward R. Starrs.

On June 24, 2008, the Company entered into a Patent License Agreement with the CEO and Licensor, Edward R. Starrs for a term of nineteen (19) years to use the invention described in US Patent Number 7388913, Method and apparatus for online check processing. This license is relevant to the Company as MyECheck is in the business of providing electronic check services to businesses, payment services providers, financial institutions and other government entities.

Risk

The ability of the Company to continue as a going concern is dependent on Management's plans, which include the raising of capital through debt and/or equity markets. The Company will require additional funding during the next twelve months to finance the growth of its current and expected operations and achieve strategic objectives. Additionally, the Company will need to continually generate revenues through its current business operations in order to generate enough cash flow to fund operations through 2015. The Company is also dependent on maintaining their positive approval status with the Federal Reserve. If the Company were to lose this approval, their ability to provide services would be affected negatively. The Company is also dependent on bank sponsorship when processing transactions directly with the Federal Reserve. If the Company were to lose bank sponsorship, their ability to provide services would be affected negatively.

Financial Overview

Results of Operations as of March 31, 2015

We are currently near completion of the Company’s second quarter Reviewed Financial Statement which we will incorporate into our Form 10 Registration Statement for submission to the Securities and Exchange Commission.

Three –month periods ended March 31, 2015 and 2014

We had revenue from continuing operations in the three-month periods ended March 31, 2015 of \$376,308 and \$361,782 for 2014. An increase of \$14,526, or 4.0%. S, G & A was \$633,055 in 2015 compared to \$33,487 in 2014, an increase of \$599,569 or 1790%. S, G & A was mostly contributable to the following:



Liquidity and Capital Resources

Three –Month Period March 31, 2015

Net cash provided by operating activities for the three-month period ended March 31, 2015 amounted to \$65,548, which mainly consisted of the following: a decrease in accounts receivable of \$140,740, an increase in prepaid expenses of \$43,079, an increase of accounts payable and accrued expenses of \$67,656, an increase in depreciation and amortization of 70,204 which comprised depreciation expense of \$3,544, amortization, loan fees and website fees of \$64,659 and \$2,001, a net decrease in payroll and state income tax payable and accrued payroll of \$501, an increase of stock compensation of \$9,833 and a decrease of fair value of derivative liabilities of \$173,016.

On March 31, 2015 the Company had total assets of \$414,983. The Company had total stockholders' deficit of \$1,285,609 on March 31, 2015. As of March 31, 2015 the Company's working capital deficit was \$1,499,239.

Officers, Directors and Control Persons

Ed Starrs, Founder, President and CEO

Ed Starrs has more than 24 years of experience as an international business executive with management experience in multiple industries. He has been an officer and director of MyECheck since its formation in 2004. From January, 2002 through October, 2004, Mr. Starrs was President of Digency, Inc., an online payment company engaged in credit card and eCheck transaction processing for Internet Merchants. Starrs was previously President of Starnet Systems International, Inc., a public company that processed more than \$2 billion annually in Internet transactions through the year 2000 using its StarMX transaction processing engine. Starrs created comprehensive solutions for Internet payment processing including developing and implementing systems to control fraud, secure transactions, and increase global distribution for e-commerce merchants.

James T. Fancher, Executive Vice President

Jim Fancher joined MyECheck in December 2014. Mr. Fancher brings over 20 years of financial services and payments technology experience. Fancher's prior roles include COO of Seergate, Inc., a real time payment processing company from 2010 to the present and General Manager for Endpoint Exchange from 2007 through 2009, an FIS company, where he had full P&L responsibility for the company's real time, check image exchange. Mr. Fancher went from Senior Business Development Manager in 2004 to Senior Accounts Executive in 2005 through 2006 for VECTORsgi, an FIS company. From 1995 to 2003 Fancher was CEO of G&A, Inc. where he created CheckMine, a Check Image Mining application.

Robert "Steve" Blandford, Vice President, Product Development, CTO and Board Member

Steve Blandford joined MyECheck in July 2004. He brings more than 25 years of experience as a senior information technology professional including serving as CTO for companies in the online entertainment and gaming industries. He is skilled at both business and technology adoption. His professional background includes i2 Corp., MXM Media, Maxim Entertainment Group, Perspective Technologies, Win Streak and others. From January, 2002 through October, 2004, Mr. Blandford was Chief Technology Officer for Digency, Inc., an online payment processing company engaged in credit card and eCheck transaction processing for Internet Merchants.



Bruce M. Smith, CPA, Interim CFO

Bruce Smith is a Certified Public Accountant. He joined MyECheck in March 2014 where he brings a significant amount of executive and financial experience. He is a forensic auditor, business advisor and a seasoned financial professional with over 30 years of progressive accounting responsibility. In 2004, Smith became a Principal of BBRS, LLP, one of the most prestigious accounting firms in the Sacramento region. In 2005, Smith became a Capital Partner in the firm. Mr. Smith remains a Partner in the firm and devotes approximately 50% of his time to this position. Prior to joining BBRS, LLP, Smith worked as a CPA consultant for hire, offering contract CFO, Controller, and Consulting services for small businesses.

Jose E. Creamer, General Counsel

Joe Creamer, JD, former Vice President of Legal at UPS joined MyECheck on March 6th, 2015, serving as the Company's General Counsel. Mr. Creamer is a graduate of Fordham University with a Bachelor of Arts degree in History and Fordham Law School with a Juris Doctor degree. He served as a member of the Connecticut bar. He retired from UPS after 36 years with the company as the Vice President, having served in the Sales, Legal and Logistics functions. For the last two and a half years, Mr. Creamer has acted as General Counsel for a start-up technology company focused on mobile payments.

For more information, contact info@myecheck.com or visit us on the web at www.myecheck.com and for our Mobile App website visit www.e-mobile-pay.com.