

Civis Financial Group has designed a proprietary retail financial services group - Civis Banc. The intent of this plan is to address emerging contemporary financial needs which most traditional banking institutions have been slow to recognize. While the financial industry has tied its data bases into firms that offer check-cashing and debit card services, one segment of the consumer market has been overlooked for the most part - the un-banked or fringe-banked consumer. Many thousands of working people today in major municipal areas, as well as smaller cities and towns throughout this country, have been ignored by or simply been disallowed from participating in conventional banking relationships (i.e., savings or checking accounts, auto and mortgage instruments, etc). They are forced to use neighborhood currency exchanges, or recently developed pay-check loan or vehicle title loan agencies to handle the otherwise normal "banking" services which all of us require. The "price" for the privileged use of the aforementioned non-banking services, especially for those who could least afford it, is often layered with exorbitant fees for services rendered. To date, none of the firms competing in this arena offer the un-banked or fringe-banked consumer a full array of banking-type products and services.

At CivisBanc, these same consumers now have the ability to: cash checks, pay bills, apply for various consumer loans, and receive limited consumer counseling as well. In final stages of completion now, is another Civis breakthrough, whereby members will also be able to establish a savings account, open an investment portfolio and implement strategies designed to enhance their personal net-worth. No longer are traditional banking instruments the only means of acquiring necessary financial services for everyone. No longer will targeted segments of the consumer population continue to remain systematically "written-off" as unprofitable by banking demographers, thus in effect, disenfranchising certain population groups from developing their individual credit worthiness.

Civis has become the first and only non-bank financial services firm to acquire a complete banking software platform. Effective November 27, 2006, CivisBanc will go live with the FiServ Precision Computer Systems (PCS) banking software package. Making CivisBanc the only debit card service provider in the United States to offer depository services at all Star networked ATM's, (which offer deposit functionality).

Civis Financial Group was founded in 2002 for the express purpose of processing electronic transactions via an exclusive proprietary infrastructure – which supports the CivisCard®. Achieving this goal has involved a twofold process: 1) creating a platform that will enhance the average consumer's financial management through quality products and convenient services; 2) accessing financial instruments with updated technologies available to a previously under-served population.

The CivisCard® is a magnetic-strip-only card functioning exclusively on the Star/First Data debit card network. Star is the largest PIN based debit network in the United States; accordingly, it provides Civis cardholders with access to over two-thirds of the ATM's in the U.S., and over 80% of retail POS (point-of-sale) terminals available at retailers and multiple mass merchandisers.

*Our mission is to create value-added convenience, discount and loyalty programs as well as provide other collateral and synergistic products and services to this long overlooked, yet expanding client base. The n-banked consumers of the United States.*

## **Market Opportunity**

Market research shows that the targeted populations in the greater Chicago land area number approximately 1,925,000. Users of the six-hundred plus local currency exchanges cashed over 23 million checks with a face value of \$6.7 Billion. Additionally, these same locations sold over 20 million money orders.

Management's marketing objectives are to capture a minimum of 2% of its targeted demographic group nationally - locally, 1% of the 1.9 million currency exchange users in the Chicago land area. These demographic estimates are published by the local Illinois Currency Exchange Association, for 2005. Nationally, in 2005, consumers representing this market segment cashed 180 million plus in checks with a face value exceeding \$55 billion. In utilizing the data regarding un-banked consumers, as reported by the Federal Reserve for the year ending 2005, there were an estimated 50 million plus un-banked consumers. It will be Civis' long-term goal of capturing 1 million cardholders or 2% of the national market segment. This objective can be achieved with a dynamic, aggressive and effective marketing program.

As you will read in the **Competition** segment of this document, there are other solutions presently being offered to American consumers today, however, all of these platforms are offered in various forms of retail distribution channels.

Presently, no enterprise is known to exist, offering bank-like solutions to consumers, in the manner of CivisBanc. It is management's belief that in the long-run, our retail points of access will provide the consumer with a more desirable alternative to the fee-laden alternatives he/she has been accustomed to using. Ultimately, establishing and expanding these retail points of access shall play a key role in expanding the company's overall cardholder customer base.

Finally, the un-banked consumer segment is projected to continue to grow as industries change and banks increase their scrutiny of new customer's who are seeking to open new accounts. Based on the historical activity of this demographic group and the present trend indicators management believe that our present business model will facilitate the accomplishment of their long-term goals. Civis' long-term objectives are: to open a minimum of 500 strategically located points of access including retail locations across the country. If the cardholder base averages out to 2,000 persons per location/or point of access, (active cardholders) the company would have a total customer base of one million, (assuming all one million cardholders were active) generating gross monthly income of approximately \$15 million dollars and an annualized income of \$ 180 million.

## **Our Solution**

Presently our solution is a PIN-based magnetic strip card, functioning exclusively on the Star network. It provides the cardholder with several point of sale retail options on a local and national basis. At present, almost every major national retail outlet will accept our card, allowing for purchases and cash back requests. To name just a few: Wal-Mart, Target, Home Depot, Walgreen's, McDonalds, Best-Buy, Marshall's, Barnes & Noble, Dollar General, Payless Shoes and Sports Authority. Additionally, almost every major grocery store chain across the country accepts the CivisCard®.

The CivisBanc center was designed to offer a bank-like environment to its targeted consumers, offering not simply securing a card, but also having access to other conventional consumer-lending products.

Presently, no retail outlet that we are aware of that has been designed to offer the consumer a complete alternative to traditional banking services they can utilize while operating outside of the banking world.

### **Our Strategy & Partners**

Our strategy is to establish a network of Civis points of access. These can be full functioning CivisBanc locations, smaller in-store CivisBanc Stations, remote electronic kiosks and even private bank agents. The key elements of our strategy are as follows:

- *Open CivisBanc Locations.* It will be the goal of management to open a minimum of five full-service locations and an additional twenty in-store CivisBanc stations. If this objective can be realized, the company projects accessing a cardholder base of twenty thousand plus clients. With proper financing this objective can be accomplished by the end of the second quarter of 2007.
- *Fully engage all strategic partners.* Management is working with FiServ and the firms that they have selected to out source ancillary services to. Chicago based Cole Taylor Bank and Star/First Data Stored Value Group.

At this time the FiServ- (PCS) software platform has been installed along with the associated server infrastructure. As previously stated Civis is the first non-bank financial services firm in the Country to acquire and operate **true banking software**. The single greatest benefit that will be realized from this purchase is the companies' ability to support customer deposits from any, deposit capable ATM in the United States. This will dramatically enhance the overall marketing efforts as well as establish significant separation from our competitors. Additional services that will be made available via the PCS platform; include online bill payment, savings accounts and bilingual phone support.

Cole Taylor Bank provides Civis to connect with a bank that utilizes the latest technology; Check 21 which allows check images to be processed verses the physical check itself. Of equal importance they will also, provide sponsorship into the MasterCard/Cirrus network. This will give the CivisCard® world wide functionality. Access to the Cirrus network allows the company to issue companion cards to those families that frequently send funds to foreign based family members.

Finally, Star/First Data has for the last three years provided Civis with access to their ATM/POS network. This relationship has worked flawlessly, giving well over 1,000 Civis customers access to a less expensive and safer means of managing their funds.

### **Competition**

We compete directly with currency exchanges, check cashing locations and payday loan centers, as well as 3 to 5 locally used debit card firms. Currently, no firms offer the advanced technology based solutions that Civis has designed. It is our belief that competition fee pricing, use structure and associated difficulties of loading value on the card will prohibit them from aggressively competing with the CivisCard® model, thus increasing our ability to attract new and retain existing cardholders.

The following table provides current sample pricing and services of Civis versus our competitors:

Competing Firms	Check Cashing Fee	<i>Fee To Load Value Per Month</i> (Assuming 4 loads per month)	Load a Check Directly
Check Cashiers	National Average: 1.75% of the face value	\$800 weekly check=\$56.00	Only Cash checks
Access Card (NetSpend)	Not available	\$4.95 per load = \$19.80	No Checks can be loaded  Only Cash
Green Dot Card  Green Dot Network	Not available	\$4.95 per load = \$19.80	No Checks can be loaded  Only Cash
CivsCard®  CivisBanc®	No Fee	\$12.95 unlimited number of  loads	Checks loaded in real-time

Based on the information listed above, cards that compete directly with the CivisCard® have fee structures much greater than what a Civis customer is charged. The next table will demonstrate the overall difference as to what a consumer would be charged, based on compensation of \$800.00 per week. Please keep in mind that the Access Card and the Green Dot Card **can only have cash loaded to their cards.** The table is based on the assumption that the cardholder is making 6 ATM and 10 POS transactions, per month:

Competing Firms	<b>Total Monthly Load Fees</b>	<b>ATM Fees</b>	<b>POS Fees</b>	<b>Total Monthly Fees</b>
Check Cashiers	\$56.00	N/A	N/A	\$56.00
Access Card (NetSpend)	\$75.80	\$12.00	\$10.00	\$97.80
Green Dot Card  Green Dot Network	\$75.80	\$12.00	\$10.00	\$97.80
<b>CivsCard® CivisBanc®</b>	<b>\$12.95</b>	<b>\$6.00</b>	<b>\$0.00</b>	<b>\$18.95</b>

Someone utilizing the services cited for bill payment would only have the ability to purchase a money order from the check cashing store, paying an average price of \$0.75 per money order.

The average consumer who does not have a bank account will purchase a minimum of 5 money orders per month, for a total of \$3.75. Cavis cardholders can pay their bills via a check that has their name and address in the upper left hand corner just like a conventional bank account holder, and is not charged any additional fees for these services.

The company's overall objective is to educate the un-banked market segment, introducing them to alternative methods in managing their financial lives. Management also recognizes that there is a high degree of credibility required for consumers to entrust their finances to outside parties. Meeting this expectation means that Cavis must demand a high degree of integrity and quality customer service from its staff members. Our competitors do not offer any form of credit/financial literacy. To do so would basically defeat their financial need to exist, since a captive consumer group - not an educated one, is fundamental to their existence. An education component is an integral feature of the future services to be offered to our targeted consumers.

Starting in the first quarter of 2007 Cavis will begin marketing its proprietary financial educational curriculum via Cavis University, and or Cavis University.com. Through the courses offered at Cavis U., consumers will learn about; credit scoring and how it all works, how to get a mortgage, budgeting, debt elimination and other platforms to help them increase their personal net worth.

Finally, there are several other firms that do not have retail distribution channels, but instead distribute all of their cards and associated services over the internet. For a consumer to effectively utilize one of these cards they are required to: send in the sign-up fee along with a money order, and wait for the card to come in the mail. In 2 to 3 days the value will be placed on their card. Would you do that? If you have an employer that offers direct deposit, you can have your funds sent directly to the card issuer.

However, once it is time to use the card, the consumer is faced with the transaction fees that were previously stated, as well as a monthly service fee that ranges between \$9.95 and \$15.00, depending on the provider. Again, the consumer is paying \$22.00 per month plus the monthly service fees charged by the provider. If any of these cardholders have their card lost or stolen their funds would become non-accessible for up to 72 hours. If that card is loaded with current disposable funds, can one afford to wait 3 plus days for a replacement card to arrive? In short, the answer is no.

The Cavis program is the only entity that offers consumers lending products, investment/asset building solutions, financial literacy programs, bill payment services and unlimited real-time value loads – all for a low flat monthly fee. Further, Cavis would provide a retail location designed specifically to service their needs in both emergency and non-emergency situations. The CavisCard® and CavisBanc® are the most unique and best-equipped consumer products in the marketplace today. We offer reasonable cost and varied financing services to segments of the consuming public traditionally “locked-out” of conventional banking environments - true victims of financial services markets whose fees ensnare limited income or credit unworthy clients.

## **Public Relations**

Historically, the company has had strong responses from readers that have reviewed press releases written about CivisBanc®. As of the fourth quarter of 2006, it has been three years since the last press release was published about Civis. Starting in the first quarter of 2007, management is going to institute a public relations effort that will focus on the following efforts:

- Press releases to: Crain's Chicago Business, The Wall Street Journal, Black Enterprise, Business 2.0, American Banker and Card Technology
- Work to establish speaking/seminar events at local churches, community groups, select high school and college groups, and Youth/Business organizations
- Join strategic Chamber of Commerce groups that are both community and ethnic based
- Offer youth-based financial literacy programs to local junior high schools
- Opt for guest status on Minority Business Review (aired on WGN TV), as well as other local radio shows.

These efforts will be used not only to secure new customers, but also to increase the company's credibility and brand awareness. As these programs are developed on a local basis, management hopes to demonstrate its ability to use these same or similar formats in specific communities that have been targeted for expansion. In the short-term, these efforts will be managed through the sales and marketing staff. With growth, this will become a full-time staff position.

## **Management**

**Kenneth Gay serves as Chief Executive Officer** Mr. Gay majored in Business Administration at the University of Wisconsin -- LaCrosse. He has been a business owner for the past fifteen years, during which he has owned and operated six corporations. For the past seven years, he has provided consulting services to the small business community. The primary focus of these services has been centered on strategic corporate funding through the development of private placement memorandum and small corporate offering registrations documents. These documents were in large part equity offerings with average funding requirements of \$1.5 million dollars. Mr. Gay's involvement in these projects resulted in over \$5 million in equity and debt capital infusions. Mr. Gay has provided strategic planning and consulting to more than 150 firms, and his services have included team building, development of marketing plans, buy/sell negotiations, acquisition planning, general business planning, and the development of new infrastructure and operational systems. Mr. Gay serves, or has served, as a director of five corporate boards outside of his own firms.

**Benjamin Shapiro serves as Chairman of the Board.** Mr. Shapiro has worked in the banking industry for over 25 years. He practiced with Wolin & Rosen, Ltd., and served as counsel for the Federal Deposit Insurance Corporation and the Federal Reserve prior to entering into private practice. Mr. Shapiro has led or been a key participant in the formation of 95% of the minority owned community banks in the Chicago land area.

Additionally he has acted as advisory council to over 20 other banks in the greater Chicago and Milwaukee communities. Mr. Shapiro sits on several community banking boards other not-for profit boards is remains very active in the local business community.

**William Roberson serves as Vice President of Operations for CivisBanc, a subsidiary of Civis Financial Group.** Mr. Roberson majored in Business Administration at Almeda University in Boise Idaho and majored in Communications at Northwestern University in Evanston Illinois. He has worked in the field of operations and customer service for over 20 years. Mr. Roberson's has been involved in strategic planning with several major corporations including KPMG, LLP, United Healthcare, and Xerox Corporation. Most of his attention and work has focused on the operations and coordination of staff, organizational structure, policies/procedures, p/l budgeting and e-commerce. Mr. Roberson sits on several boards in the non-profit industry and leads and supports community relations between the financial industry and the un-banked community.

In addition to the above mentioned individuals the company has a strong group of consulting resources that bring an additional 100 plus years of experience and knowledge to help manage and guide the company in its ongoing pursuit of achieving industry excellence.

