

WeSave's Business Model

WeSave offers a new and powerful economic system and business plan that is tied to a new “weCommerce™” platform...a hybrid online marketplace that empowers people with Preferred stock ownership and dividend rewards.

The Winning Business Model

The WeSave business model is relatively simple and primarily mirrors the Visa/Mastercard bank model that has operated successfully for over 50 years.

In their model, some banks sponsor and set up businesses with their merchant services (“merchant acquirers”) while other banks issue credit/debit cards (“card issuers”) to individuals, and some may do both. Basically, that is the foundation of the merchant services and bankcard industry model today.

Merchant Acquirers

Whoever sets up the merchant to process purchase transactions on the MC/Visa “rails” receives a small percentage of the transactions that are settled through the sponsor bank from that merchant. Today, that percentage varies, but normally a merchant pays about 3% and of that less than 1% (usually around 30 “basis points”) is paid to the merchant acquirer. (1%=100 basis points in the financial services industry)

Card Issuers

While on the other side of the transaction, the card issuer, generally a bank (like MetaBank, now “Pathward”) works with a contracted “Program Manager” that issues co-branded cards to various affinity groups so that they can make a small percentage (again, about 30 basis points) from the same 3% the merchant pays Visa and Mastercard when a cardholder makes a purchase at their location.

Cardholders

Additionally, when the consumer uses their credit card, the issuer (like Chase Bank) typically has enough profit from the interest and other fees they charge to set aside a percentage to give back to the cardholder in some form of reward (i.e., cashback, redeemable points, or miles) in an effort to increase customer loyalty and use of their card. Debit cards typically do not carry the same profit margins, so they do not offer cashback or other rewards for use which equates to a lack of loyalty (referred to as, “stickiness”) from cardholders.

Mirrored Model

Acquirers. With WeSave, whoever sets up the merchant in the WeSave network is the merchant acquirer and is paid a whopping 1% of the total sales made by that merchant in the WeSave marketplace. The 1% residual commission WeSave pays its merchant acquirers is a new weCommerce™-based revenue stream that pays 2-3 times more and is on top of what they are currently making from the merchant services they already have set up with the merchant’s retail location.

Issuers. At the same time, whoever refers a new customer to WeSave is like a card issuer in the MC/Visa model. The referrer is matched and tracked to the customer through WeSave’s exclusive loyalty processing agreement with the *International Clearinghouse* and paid a percentage of the purchases the new customer makes at any WeSave merchant. The difference is that WeSave pays 1% to the referrer which is 2-3 times more than the bank and the issuer normally make as a result of issuing a Visa or Mastercard to their customers.

Cardholders. Regardless of what payment card is used, whether credit or debit, members that shop at WeSave merchants receive a 2% Cashback Reward as a loyalty incentive on top of any other rewards they get from the credit card issuers. Therefore, a shopper who uses their Chase credit card not only earns their 2% cashback from Chase,

but they earn an additional 2% Cashback from WeSave. WeSave also pays on debit card purchases, which is rare in the debit card industry.

This reward provides a new financial opportunity for banks that issue debit cards because it provides “stickiness” (loyalty) with their existing customers when they enroll them in WeSave because of the 2% Cashback Reward. And in addition to greater customer loyalty, whoever referred the customer/cardholder (in this case a bank) to WeSave will be eligible to receive 1% residual revenue on every qualified purchase transaction made at any WeSave merchant which is 2-3 times more and in addition to what they normally earn on payment card transaction fees.

WeSave’s weConnect™ Package

WeSave merchant partners are either strictly online businesses, or they can have a retail storefront and connect to the WeSave weCommerce™ platform with its “weConnect™” package.

weConnect™ is a stand-alone, value-adding, service package that connects retail mom ‘n’ pop merchants and home-based businesses with weCommerce™ so they can stay competitive, reach more customers, and make more sales.

weConnect™ provides new income stream opportunities that both merchants and merchant service providers will want to take advantage of because it does not interfere with the merchant’s existing merchant service provider, their retail business, or any other rewards program.

Summary

Any purchase made in the WeSave marketplace operates the same way the merchant services and bankcard industry operate under the MC/Visa model: (i) the customer/member earns up to 2% cashback as a reward; (ii) the person or entity that referred the customer (the issuer) makes 1% on their referred customer’s purchases; and (iii) the person or organization that set up the merchant (the acquirer) makes 1% on any sales that merchant makes in the WeSave marketplace.

The MC/Visa banking model has successfully withstood the test of time. Before they owned the payment rail market, they paid their salespeople an amount similar to WeSave’s current financial model. Now MC/Visa payout is about a third of what they used to pay. Today, WeSave’s model pays 2-3 times more than salespeople in the merchant service industry are making on transactions, and it is a separate added-value opportunity and rewards program. Everyone wins because WeSave offers a unique, stand-alone weCommerce™ rewards program that enhances merchant services and doesn’t interfere with the merchant’s current MC/Visa merchant services.

Consumer Empowerment Summary

WeSave Members value proposition:

1. They get the convenience of shopping online with thousands of name brands and over a hundred thousand products at competitive prices and growing.
2. They get a 2% Cashback Reward when they make a purchase...this is separate and in addition to any other rewards they might be eligible for when using Apple Pay or their credit card.
3. When they refer their friends and family, they make 1% residual income on those member’s purchases.
4. As a Premier Member, they are awarded Preferred Stock and participate on a pro-rata basis in any Preferred dividend. They're saving for their future when they do their everyday shopping. They literally become owners of the online platform where they shop and when anyone else shops they benefit too!

Merchant Empowerment Summary

WeSave merchants are part of a coalition of mom 'n' pop retail and home-based businesses that want to compete in an eCommerce world. It is easy to get involved. First, WeSave sets them up with a new merchant account to make online sales and charges them a one-time weConnect™ setup fee of \$500. At the same time, WeSave gives back to each merchant \$550 worth of value in the form of two (2) Units of equity ownership (each Unit is made up of 50 shares of WeSave Common stock (\$50 value) and one (1) share of Preferred stock (\$150 value) with their respective dividend rights. Multiplied by 2, that's a \$400 value package. In addition, for the first year they receive a free Premier Membership (\$150) that allows them an opportunity to make additional referral income from their customers.

Second, as a merchant in the coalition, WeSave only asks them to share 10% of their profit margin when a sale is made. This fee is a small price to pay for new customer sales. It is a marketing and platform use fee called a **Coalition Marketing Fee (CMF)**. CMFs are the driving force in WeSave's financial model.

Therefore, by agreeing to a 10% CMF, paying a one-time setup fee and normal transaction processing fees, our weConnect™ merchants:

1. Get a new merchant account for a custom branded micro-store inside the WeSave marketplace where they can advertise and sell their products and services to our growing member base for a fraction of the cost it would normally take them to set up and manage an online store with the same features and services.
2. Can leverage off a multi-million-dollar weCommerce™ platform that provides Software as a Service (SaaS) and Banking as a Service (BaaS) solutions ranging from a fast split-pay settlement process to sales tax collection/submission services to inventory management and shipping solutions and much more.
3. Increase their customer reach and they only pay a small Coalition Marketing Fee when and only when one of our members buys a product from them. In other words, they only pay us for sales results. Now, that's the way advertising dollars should be spent!
4. Once they are registered and approved, WeSave gives each merchant (i) two classes of stock ownership in the company with their respective dividend rights (ii) a Premier Membership for a year that allows them to receive member benefits like (iii) cashback on their personal purchases as well an opportunity to make additional (iv) referral income whenever their referred customers shop at other merchants in the WeSave marketplace.
5. Our split-pay settlement service allows a merchant to get their money from transactions within 3-days, not in weeks or months like other marketplace affiliate programs. This processing helps with their cashflow.
6. Have a hedge against inflation and possible shutdowns. In the event the economy gets worse or there is another government shutdown, WeSave weConnect™ merchants will have the ability to function online out of their home if they have to, to survive.

Sales & Marketing Team Empowerment

On both sides of the equation (*issuer and acquirer*), banks along with MC/Visa tend to use third party marketing organizations to sell their services. On the acquiring side, they use "*Independent Sales Organizations*" (ISOs) and "*Merchant Service Providers*" (MSPs). On the issuing side, banks authorize "*Program Managers*" to sell their bankcard services.

Again, WeSave mirrors this successful model by authorizing third party organizations called "**Loyalty Program Operators**" (LPOs) to market our products and services whether as member enrollers (issuers) or merchant

acquirers. WeSave's LPOs are at the top of the food chain and make an override commission on the business volume generated below them that they help manage.

Through WeSave's exclusive loyalty processing agreement with the International Clearinghouse, every member and their transactions are linked to and eventually tracked back to an LPO. Since, WeSave allows all its members to refer their family and friends, anybody can be an "issuer", even merchants who enroll their customers, and they all receive a 1% residual commission when their direct referrals make purchases from a WeSave merchant. This incentive allows for self-perpetuating exponential growth in membership enrollments.

The fact is, as an LPO, ISO/MSP, because of WeSave's generous economic system, enrollers and acquirers are making 2-3 times what they can earn in any merchant services program. Therefore, if the value proposition for customers, merchants and marketing organizations is significantly more than the existing successful MC/Visa banking model, then it stands to reason that WeSave just might have a winning formula to make this a worldclass opportunity that everyone will want to be a part of.

