



CEO CFO

Interviews & News!

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FundsTech Is Offering The Over One Billion Unbanked Of The Working Population Worldwide The Opportunity To Have A Visa Or MasterCard Debit Card



Financial
Credit Services
(FNDS-OTC: BB)

FundsTech Corp.

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David Fann
President and Director

BIO:

Mr. Fann served as President and Director of the Global Axxess Corp, a publicly traded company since January of 2002 until September of 2006. While at Global Axxess Corp Mr. Fann was responsible for equity and debt financings totaling over \$17 million and was responsible for investor relations. Prior to joining Global Axxess Corp Mr. Fann was the Chief Executive Officer and Chairman of the Board of TeraGlobal, Inc., a publicly traded company, from September 1998 through September 2000. He was president of TechnoVision Communications, Inc., a subsidiary of TeraGlobal, from November of 1995 to September 2000. He co-founded Totally Automated Systems Communications, a Unix-based communications company, and acted as Vice President of that company.

Company Profile:

The goal of FundsTech Corp ("FTC") is to deploy the maximum number of cards into the market in a shortest amount of time and to promote card usage. We offer

prepaid card products and applications to the global marketplace. The company's product is a prepaid branded (MasterCard® or Visa®) card containing comprehensive features and applications for the rapidly growing global prepaid industry.

Interview conducted by:
Lynn Fosse, Senior Editor
CEO CFOinterviews.com

CEO CFO: Mr. Fann, what was your vision when you founded FundsTech and where are you today?

Mr. Fann: "Fundstech Corp is in the financial services sector that provides prepaid debit cards focused to the over one billion working population worldwide who do not have a bank account. This market is estimated to be in excess of \$100 billion annually. We serve this market with our FundsTech cash card, which is the visa MasterCard debit card. We go after employer groups, which allow the employer to replace payroll checks for their unbanked workers; in addition, it allows employees to use our Fundstech cash card where they now have to pay their employees in cash. About 50% of the people who work today still get paid in cash. The Fundstech cash card also allows for domestic and international transfer of money, which replaces the Western Union model, which is a market, also estimated to be over \$100 billion annually. The Fundstech cash card can be used anywhere in the world that accepts MasterCard or Visa. Other services include gift cards, bill pay, prepaid cellular and the list goes on. It is just a prepaid MasterCard or Visa card. Our initial focus is on the unbanked large working population."

CEO CFO: In what areas of the world are you active?

Mr. Fann: "In the US there is estimated to be between 20 and 30 million people who work and do not have a bank account. Worldwide that number is well over a billion. Our focus initially is in the international market. We have one project started in Germany. We are about to launch a huge project in South Africa where we have expertise there. Initially our focus is going to be the international market because it is a much bigger market and there is very little if any competition in some of these areas."

CEO CFO: What are the criteria for choosing the locations?

Mr. Fann: "The initial focus was South Africa and the reason why was we used to own a subsidiary there, so we know a lot of the people. We also hired an executive by the name of Victoria Vaksman who has built and sold a couple of software companies in South Africa. She has been there for twenty years and has sold software to banks and financial institutions in both South Africa and Europe, which is what we do. Our strategy is to partner with the banks, because they have to issue the debit cards. We then focus with strategic partners in those countries who had the customer base that we are going after. That is the reason we started there, because Victoria knows all the banks and strategic partners and we have already announced two strategic partner there. We have today over 1,100,000 cards that we are getting ready to deliver as soon as our sponsor bank comes, which we expect to announce in the next two to four weeks."

CEO CFO: Is your revenue transaction based?

Mr. Fann: “Yes. We are an electronic financial transaction based company. That is what our management team has been doing combined for over 100 years.”

CEOCFO: Would you like to tell us about the team?

Mr. Fann: “The key people start with our CEO, Mike Dodak. This is his second public company; his first one was an electronic financial transaction company doing over a million transactions a month. A proven track record of the ability to grow companies both organically and through acquisitions. This is my third public company. My first one was a start-up to full Nasdaq. My focus is on the public side; raise the capital, put the right structure in place and create market awareness. I have been doing this for about 15 years. We thought briefly about Victoria and her focus is on Europe, the Middle East, and Africa. Our CFO is a gentleman by the name of Don Headlund, who ran a credit card processing company out of California called Card Service International, which did about 300 million dollars annually. That company about two years ago was sold to First Data Corporation. We understand the financial transaction process. Joe Trubrello came from a company in the credit card processing arena as well and most recently ran a prepaid debit card company here in the US. We have people that understand financial transaction processing, who have built successful companies. Last but not least, we put our first outside director on the board which is a gentleman in Geneva, a Swiss banker named Pierre Besuchet that comes from banks like Societe Generale, and Credit Suisse. His charter is to help us find banks and strategic partners internationally. For a company our size it is unusual to have this strong of a management team, but we decided to put the team together first and then go after the really big client and that is what we expect to do.”

CEOCFO: Are the unbanked in places like South Africa looking for a cash cards and your other products?

Mr. Fann: “The other reason we mentioned South Africa is they have such a large percentage of unbanked people that the government has mandated that all the banks come up with a program to provide banking services for these people. Therefore, not only is it a large market, it is a market that is being mandated by the government that banks cooperate. In South Africa, there are four main banks and a few small ones. It is not like the US

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- David Fann

where you have 15,000 banks. We are working with two of the large banks to provide these products and a couple of the smaller banks.”

CEOCFO: Is it the strength of your connections and your team that allows you to go overseas and pioneer there?

Mr. Fann: “The reason we chose to initially bypass the US is not that it is a saturated market by any means, but there are large competitors so we wanted to go places where demand is high and competition is low. However, our last couple of

press releases that we put out are US and contracts to deliver cards in the US, one to the healthcare industry and one to the credit card acquiring industry and eventually to the casino industry. We are going after niche markets in the US. We have many deals that we are working on but, our primary focus is international.”

CEOCFO: Regarding your IT solutions for financial institutions; how big a part of the business is that and where does that sit as part of a dual model?

Mr. Fann: “That is not as big a piece as we originally thought it would be. What we do have is we have acquired a company that provides security software to finance institutions and that is a longer-term process. We are working with a couple of the biggest banks in the US to provide services to them but to date; it hasn’t been a big part of our business. However, we expect it will grow. It is the same people that we go after with our prepaid phone service. More of the focus has shifted from that to prepaid.”

CEOCFO: Once you are in a country and have your relationship set, does it pretty much just function on its own?

Mr. Fann: “Absolutely! What we do, we go out and find a strategic customer that has a wherewithal customer base to issue large amounts of cards. We do not go after one employee at a time. We go after employer groups. We have two groups in South Africa with one distributor, so that is 250,000 cards. We have another group with 170,000 cards that is coming online. Then we go find the sponsor banks to the cards, get certified on the network and we are the software that sits in-between employer and the bank. We make a fee every time one of these cards is used. The average fee will run anywhere from five dollars to fifteen dollars per month which allows the employee to use his card anywhere that takes Visa or MasterCard. He can also use his card to transfer money internationally and we charge a flat fee.

We share this revenue with the bank and the strategic partner so we participate on a percentage basis per transaction of the gross revenue and once the platform is in place, our overhead is very minimal. It is a very high profit revenue stream for us, very long-term recurring revenue streams so that is our model.”

CEO CFO: Who does the customer service aspect?

Mr. Fann: “Typically that is done by the strategic partner. We will supply backup to them as required. We have the software that allows transactions to happen, we have the partners to provide the cards, the bank and the customers and then we do the process and are paid electronically the next business day. There is no accounts receivable and as we build customer base, the same customers will stay with us; these are long-term contracts, five to ten years with renewals. It is something we have been doing for the last ten to twenty years as a group. That is how you build your business. The customers come on board, they stay, they grow, you add others, and it just starts to multiply. As more cards are distributed, profit margins increase.”

CEO CFO: What is your financial position?

Mr. Fann: “We are a very early stage company. We have raised a little over \$1 million. We have enough capital raised to begin to execute our plan. What we have said is that we will start generating reve-

nue in the late 3rd or early 4th Quarter of 2007; we are actually ahead of schedule. We have cash for the initial phase. Once we get the platform up and a couple of these other countries, and announce a couple of these banking relationships then we will go back out to the market and raise capital. We have only been trading for a couple of months but this year we are projecting \$1.5 million, which most of that will come 4th Quarter. That is long-term revenue and we will get that next year month after month and the following years after that. Next year we expect that number to increase ten-fold at the minimum; we think that is conservative. We will be profitable in 2008 as well.”

CEO CFO: What do you see as challenges to fulfilling the plan?

Mr. Fann: “As far as the business model, we do not see that as a challenge. Each country has its own rules and regulations that is why we partner with strategic partners in those countries and the banks in those countries. However, we do have two banks in Europe who are licensed to go into all the EU countries, so we can. Hopefully, one of these banks will be able to go into 27 different countries. The biggest thing is education to the employer and employees. It is a much less expensive solution for them, it costs the employer less money to pay their people this way, the employees save money and we make money. Win/win all the way around. It is a function of getting the

platforms in place, getting the customer base trained and then away we go.”

CEO CFO: Why should potential investors be interested now and what might not jump off the page at first glance?

Mr. Fann: “I think some of the key take-aways are that we are building recurring and predictable long-term revenue streams. We do not have to reinvent the revenue stream each month. We choose markets where the demand is high and there is less competition. There is a world-class experienced management team who has done this before. We have a large worldwide-underserved market. Most importantly to the shareholders is our emphasis is on building shareholder value because we are all shareholders ourselves.”

CEO CFO: What should people remember about FundsTech?

Mr. Fann: “We are just beginning to get the word out there. We are going back on the road with business awareness campaigns beginning in September back over in Europe. When we get back, we are going to start the same thing in the US. It is still early and a good time to get involved; the stock can only go up from here. Based on the performance of the company, we think it is a tremendous value.”



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