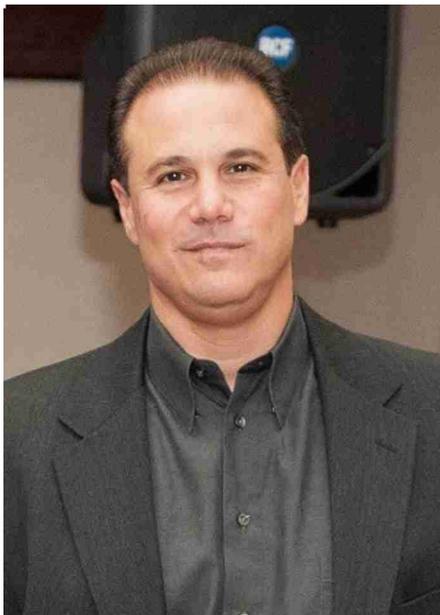


Bringing to market Innovate Solutions such as their My Clear Reports (MCR) and The Hope Process, IRN Payment Systems is providing the Payment Processing Tools needed for Merchants to Manage and Grow their Business

**Business Services
Credit Card Processing**

**IRN Payment Systems
800 Shames Drive
Westbury, NY 11590
800-366-1388 / 516-333-3888
www.irnpayment.com**



**Dino Sgueglia
CEO**

BIO:

Dino Sgueglia graduated from C.W. Post, Long Island University in 1986, and holds a Bachelor of Arts degree in Business. For over 25 years, Dino has been in the Acquiring industry and has founded several companies over his career. In 1988 he formed IRN Payment Systems, specializing in credit card acceptance services for merchants of all sizes. Today IRN is a leader in credit card acceptance, servicing tens of thousands of merchants throughout the United States.

In 2009, he helped form the Merchants Reward Network, a company that provides value added services like Merchant Rewards, SalesGuard (www.salesguard.com) and pre-paid debit cards (www.projectprepaid.com) supporting the acquiring industry.

In 2012, Dino founded My Clear Reports (MCR) for merchants. MCR provides a new paradigm in merchant reporting, retention and monetization for ISO's, Agents, Processors and Banks. Services are provide through the internet and a patent pending Mobile application 24/7/365 days a year.

Sgueglia has been a member of the ETA for his entire career and has received commendations from the Nassau County Police Commissioner and the City of New York. Father of three, Sgueglia sits on many charitable boards and created the Danny's Wish Foundation (www.DannysWish.org) in honor of his Autistic son. He is married to Kelly nee DiPaolo.

About IRN Payment Systems:

IRN is a full service payment processor serving tens of thousands of clients nationwide. IRN knows that accepting credit cards for payment is essential for any business, that is why IRN supports processing solutions for all businesses and for all major credit cards including Visa, MasterCard, American Express and Discover, as well as providing processing services for Debit, EBT, government cards, checks, and gift and loyalty cards.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Sgueglia, would you tell us about IRN Payment Systems?

Mr. Sgueglia: IRN is a credit card processing company. We have been in business for twenty-five years. We provide credit card processing services to all merchants across the United States.

CEOCFO: When you are speaking with customers, do they appreciate your long history?

Mr. Sgueglia: Honestly, the importance has probably diminished over time, and it is probably because this industry is kind of stereotyped from the standpoint that, unfortunately, this industry generates business by price and price alone. Even most recently, I remember reading an article in the industry publication *ISO & Agent* that basically said that 80% of new merchants that are acquired are acquired by rate and rate alone; that is the incentive. We kind of brainwash merchants into looking at price before anything else. To answer your question, ultimately you would think that longevity is the significant importance, but I am not so sure that is the case today.

CEOCFO: Would you tell me a little bit about the range of customers? Is it anyone and everywhere? Are there specific verticals?

Mr. Sgueglia: We do business with all types of customers; from small mom and pops to larger retailers, hospitals, car dealerships, transportation companies, we process for whole full gambit of different types of merchants; nobody in particular.

CEOCFO: Why use IRN? What makes your service simpler, easier, more customer friendly?

Mr. Sgueglia: For one is that we have been very innovative over the last couple of years. With the industry changing so dynamically with the eventual migration to Europay, MasterCard and Visa (EMV) and Near Field Communication (NFC) technology where merchants are going to have to look at the possibilities of significant changes in that environment where they might have to adapt in tap-and-go type of technology, and you are going to have to accept EMV, where cards will be enabled with chips and merchants will need to have new equipment to enable them to be able to accept these cards. What we have done over the last couple of years is reinvented ourselves. We have developed certain products and services that are patented and unique. One in particular is called My Clear Reports (MCR). It's a new company we started and one of the products of My Clear Reports gives the ability for merchants to access an actual virtual business center that has all different types of products, tools and services so that they can actually grow and manage their business. It gives them immediate access to cash. It gives them the ability to put their credit card deposits on a prepaid MasterCard called the MerchantCard, where when they use that as basically their depository of accounts they have the ability to earn cash back every time they use any of their funds as a credit card. They can manage all of their deposits real-time from either the internet or from our just recently released and patent pending MCR Mobile app. So we are going to give merchants the ability not only to get their credit card processing analytics and reporting on a mobile phone 24/7, 365 days a year, but they will also have internet access so they can view their account from anywhere they are in the world through any device from a computer, laptop terminal, tablet, iPad or mobile device. MCR provides all different types of products and services that ultimately five years ago were not available or important to

merchants, including electronic reporting, but today we live in a world of social media. I tell this story all the time—my seventy-eight year old father communicates with me through Facebook through an iPad. Merchants of all different types and sizes are not just looking for a monthly paper statement that is useless for them, it does not tell them anything about their business. They want access to real information; information on how their business is trending, to be able to confirm and get and manage alerts so they can see their deposits, their batches, they can see when the amounts hit their bank account and have real-time access to those funds. By managing all of these types of alerts, they can even perform certain security functions. They can do things like—if I am a merchant and I want to see every time somebody in my organization issues a credit between

“I honestly believe if everybody adapted to the whole process, we could significantly change the world....If you are a merchant, you need to be able to accept credit cards. Why not be able to do it and fund the charity of your choice, and be eligible for a taxable deduction? What are you losing?”

- Dino Sgueglia

\$100-\$300, then I can have an immediate message sent to either my email or text saying, “A credit was issued today.” So when I go back to the office, I want to take a look and see why we issued that credit. Access to any type of antiquated analytics and reporting was just something that was reserved for larger merchants years ago where you would up sell for that. Today everybody is looking for sophisticated and intelligent access to reporting and analytics, and a virtual business center that helps them manage and grow their business with tools like free advertising to almost ten million consumers across the United States a month. Through different partners that we have developed, there are some significant tools in MCR that allows merchants to really be able to enable themselves to participate in programs that really grow their business. This has been kind of the problem—in our industry, an ISO,

agent or sales organization sell a merchant, but then that is the last time they will basically talk to that merchant. The next time they will hear from that merchant is either when there is a customer service issue or potentially when they have left them for somebody else for a lower price. One of the things that MCR does so well is lower attrition. It is a significant retention tool built around significant reporting and analytics that the merchant uses every single day to manage their account and grow their business. SalesGuard is another great product that we developed through a partner of ours that gives merchants immediate access to cash if they are ever in a situation or an emergency where they need cash. We update them every single day on what their cash availability is. This is just one of the featured products of MCR. You can view the different programs, services and tools and more information on our website www.myclarreports.com. It is a game changer and one of the most significant reasons why you would want to use IRN versus anyone else.

CEOCFO: Would you tell us about The Hope Process? That is quite interesting.

Mr. Sgueglia: I have an autistic son who just turned sixteen on January 3rd. Back in May of 2008, two inspirational people in my life were Barbara Feingold and Caryl Bank, and they ran the Hagedorn Little Village School, where I served on one of their boards for about three years raising money for their organization. What was influential and inspirational to me was they started from nothing; they built this school out of an old abandoned hospital, and built a school that provided great services to the community. It was just a moment in my life where I was reflecting back and looking at Danny and feeling frustrated that he was nonverbal, knowing still that so many families suffer every single day the same as we do with autism. At that time I remember there was very little awareness of autism. I think accumulatively funds being raised for autistic children were 1/10 of what they were getting for juvenile

diabetes, juvenile cancer, leukemia, but there was not enough awareness for autism and really the overwhelming and dynamic affects that were growing in epidemic proportions. I decided I wanted to start a charity for Danny. I started a charity called Danny's Wish (www.dannyswish.org), and that charity still exists today. What we did with the charity is I wanted to provide families with the ability to experience what Danny experiences. We are season ticket holders to all of the New York sports teams. We go to concerts, and we go out quite often. Danny experiences a number of different things that unfortunately a number of these children within these families do not. We started with that purpose in mind. If you recall around the end of 2008, the financial markets crashed and it was very devastating for all charities across the United States. Significantly, people did not have enough discretionary income to take their families out on a weekend on their own, much less be able to now support charities that they may have done in the past. I started thinking, how do we potentially start some kind of charitable facility within IRN, almost like a distribution channel, to raise money for Danny's Wish, but also raise money for other charities because ultimately everybody has a connection to some affliction or some charity. I researched and I hired a law firm, and we spent probably about a quarter of a million dollars by the time we were done. I wanted merchants to be able to pick a charity of their choice and allow IRN to donate proceeds on their behalf, but unfortunately based on the IRS tax code, IRN can only donate up to 10% of its profits. After that we would pay taxes on those dollars so we would not be able to support it. So through the law firm we challenged the IRS and I said, "Find me a way where rather than I make the contributions and the donations on behalf of the merchants, that the merchant elects to make those contributions and donations." What came out of it was The Hope Process. What we enable merchants to do is: if you are a merchant and you enroll in The Hope Process, we convert your credit card processing over to IRN at exactly the same price that you are

currently paying with your existing provider. There is not any additional cost to the merchant, but there are tremendous amounts of benefits because the merchant now has the ability under The Hope Process for IRN to give back a rebate every single month on our profits; 100% of the profits that we make from processing that merchant's credit card processing account. What we do is give the ability for merchants to either accept that rebate directly or provide us with a charity of their choice that we will facilitate payment to, thus making them eligible for a taxable deduction. So think about what we just did. We are giving merchants the ability to choose a charity of their choice, use now their business resources that they need every single day to run their business, and fund a charity of their choice; not with after tax dollars that they would make—now they are using their business resources or the rebates they get from us to fund the charity of their choice. Now, if you think about ultimately what the benefit is to the charity, the charities are building a portfolio of donations against zero expense. They are getting checks from merchants and growing their donations, and they have zero expense against that. This becomes a paradigm that has never been done before, and one which hopefully, I want copied throughout any industry, any type of marketplace. Because at the end of the day as a company we give 100% of our profits in year one, and then we give 25% forever. We are building, like I said, a portfolio of donations for these charities at zero expense, but ultimately at some point in time we are also going to make money too. We are all doing something good; the merchant really sends an incredible message of social acceptance to consumers while generating consumer loyalty because they are becoming benevolent or philanthropic, because every single time now that they accept a credit card transaction a portion of that amount goes to a charity. We give merchants the ability to choose up to eight different charities a year. Every quarter they can choose two different charities. Provided that it is 501(c)3, they will get the acknowledgement letter at the end of the year

from that charity thanking them for their contribution and donations, making them eligible for a tax write off. For more information please visit www.thehopeprocess.com.

CEOCFO: Everyone wins!

Mr. Sgueglia: Everyone wins. From my standpoint, no private authorship at all. I would love and I would help everyone, even in our industry, on how to do this. Routinely when I am at trade shows or events, I suggest The Hope Process to friends and acquaintances. I even carry information to hand out regarding everything that we have done, and even information on how to get charities involved. Think about it from the charity standpoint. I routinely get calls from charities across the United States thanking me for checks that we made on behalf of the merchants that designate them. I tell them, "Do not thank me, thank that merchant that designated your charity. At the end of the year you will provide them with an acknowledgement and a thank you. We just provide the vehicle." They ask me, "How do we get more involved?" I say, "It is real simple. All you have to do is introduce the benefits of The Hope Process to your potential connections, consumers, businesses, whatever, and they can be using their business resources through The Hope Process to fund your charity, which cost them nothing and ultimately comes with many benefits. There is zero expense for them. They are paying exactly what they were paying, so ultimately they are utilizing their business resources to now fund the charity of their choice, and get the ability for a taxable deduction as well." Your right, nobody loses! It is an amazing concept that I wish would be in alternative markets utilized just like we have developed, because it could be utilized for any type of marketplace. The bottom line is that, like you said, everybody wins. The merchant is morally conscious, he is able to hang up a sticker—we had stickers made by Discover. One of the years they actually matched contributions. The sticker said, "The Hope Process: We give back with every credit card transaction. It is part of the process." They get some beautiful door signage so

that they connect with their consumers, and the bottom line is we are raising money for these charities across the United States and it is a wonderful. It is something that I wish all types of businesses did, and I would be willing to help anybody to be able to do this for their business, because ultimately we could change the world.

CEO CFO: How is business these days?

Mr. Sgueglia: Business is good. Fortunately on our side of the business it is almost like a race to zero. The problem is that merchants in our business keep wanting lower and lower rates. They want more services, and that is ultimately the biggest issue that this industry faces today.

CEO CFO: Why should investors and people in the business community pay attention to IRN Payment Systems?

Mr. Sgueglia: Simply because we are not just merchant acquirers. What we have developed through partnerships and other companies set us apart. We understand the payment section in respect to how cards and consumers

use cards, and how merchants and acquires accept cards. We have developed specific patented programs and products that nobody else has in the industry, and ultimately we provide significant value with our MCR tools, reporting, and mobile app. If I am a merchant, I know when I go to IRN, not only are we going to be getting competitive pricing, but we are going to be getting products and services that nobody else can offer to help manage and grow their business. That would probably be the biggest reason why. Hopefully, if that merchant is as benevolent and potentially as philanthropic as we hope, than hopefully they will participate in The Hope Process as well, giving back to the community and charities. It is a wonderful way of promoting their business to support charities through a business resource without costing an extra penny. That is clearly the big differentiator. There are a number of different processors in our industry that say that they donate to one to six different charities, but they do it by charging you two to three cents more on a transaction, but you can do that

on your own, you do not need somebody else to do that for you. That is why this is so uniquely different. I honestly believe if everybody adapted to the whole process, we could significantly change the world. The bottom line is everybody needs credit card processing. If you are merchant, and you are out there providing consumer services, you need to be able to offer credit cards. Why not be able to do it and fund the charity of your choice, and be eligible for a taxable deduction. What are you losing? At the end of the day, just like you said, everybody wins and that is just the wonderful thing about it. It is a great feeling when you know that you have something that you have developed and hopefully you can pass this legacy on to different industry types, different businesses, or even in the same industry. I would love everybody to adapt to this method of acquiring merchant accounts.



IRN Payment Systems
800 Shames Drive
Westbury, NY 11590
800-366-1388 / 516-333-3888
www.irnpayment.com