

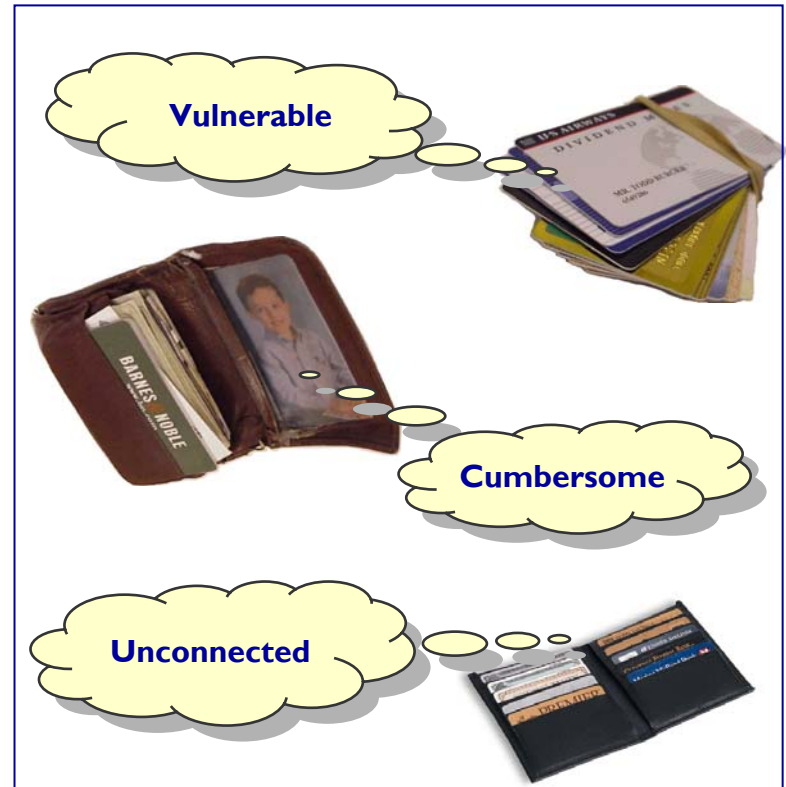
Chameleon Network

***Consumer Education,
Regulatory Action and
Prosecution Are Not Enough***

National Consumer Protection Week Conference
Boston, MA
February 24, 2004

Consumers, despite your and their best efforts, face mounting difficulties.

- Growing identity and security concerns
- Wallet 'saturation'
- Proliferation of loyalty programs
- Explosion in non-cash payment technologies that are not universally accepted



Yesterday's wallets cannot adequately meet today's retail marketplace needs.

Being a “smart” consumer requires a great deal more effort today.

Managing Financial and Retail Dealings 101

- Which card or account is best for me?
- How can I avoid unnecessary charges?
- How can I capture the most discounts?
- Are the loyalty cards worth the effort?
- Do smartcards really help me?

Protection from Loss 201

How can I avoid:

- Wallet theft?
- Credit and debit card theft?
- Credit card account number theft?
- Brokerage account asset theft?
- Identity theft?

Consumer education, regulatory action and prosecution are critical to consumer protection.

Consumer Financial Education 101



Prosecution on Behalf of Consumers



Regulatory Action

Electronic Funds Transfer Act

Equal Credit Opportunity Act

Truth in Lending Act

Fair Credit Billing Act

The Fair Credit Reporting Act

New devices are emerging that can make the consumer a stronger player in this game.



“Consumers will be adapting to new security, POS and information technologies over the next 5 years that satisfy their needs for simplicity, security and information and are willing to pay for these new services.”

-- Forrester, Spring 2002¹

¹ Forrester Analyst Penny Gillespie is currently drafting a whitepaper on the Pocket Vault based on an interview held on December 22, 2003

How will one of these devices work and how will it make a difference?

Launch Demonstration

The Pocket Vault secures your account information and card portfolio in a convenient handheld device.



- “Everyman’s” personal banking assistant
 - simple touch screen to select cards
 - ejects card with selected encoding for transaction use
 - replaces credit cards, discount cards, ATM cards, coupons, etc.



- Compatible with existing retail POS systems
- Reduces fraud
- Provides access to account information at POS
- Emulates mag stripe, smart and bar code cards
- Platform for web-enabled services
- Card issuers can deliver special offers to the Pocket Vault screen

All the new technology is not created equal.

| Offering | Std Credit Cards | Pocket Vault System | Smart cards | Mobile Phones | PDA's | Keychain Devices | |
|---------------------------|------------------|---------------------|----------------|---------------|---------------|------------------|-----------------|
| Competition | Various | Chameleon Network | Various | Nokia et. al. | Palm/Verifone | Speed-pass | Discover Keytag |
| Secure, fraud-reducing? | ● | ● | ◐ | ○ | ◐ | ◑ | ◐ |
| Make better choices? | ● | ● | ● | ● | ● | ● | ● |
| Get more discounts? | ◐ | ● | ◐ | ● | ● | ● | ● |
| Can replace wallet? | ● | ● | ● | ● | ◐ | ◐ | ◐ |
| Universally accepted? | ● | ● | ○ ¹ | ● | ● | ● | ● |
| No infrastructure change? | ● | ● | ◐ | ● | ◐ | ● | ● |
| Easy to use? | ● | ● | ○ ¹ | ● | ◐ | ● | ● |
| Reduces costs? | ● | ● | ● | ● | ● | ● | ◐ |



¹ Only as a credit card

