



JAREDJOYCE
INVENTOR

DUAL ACCOUNT CARD

Business Plan

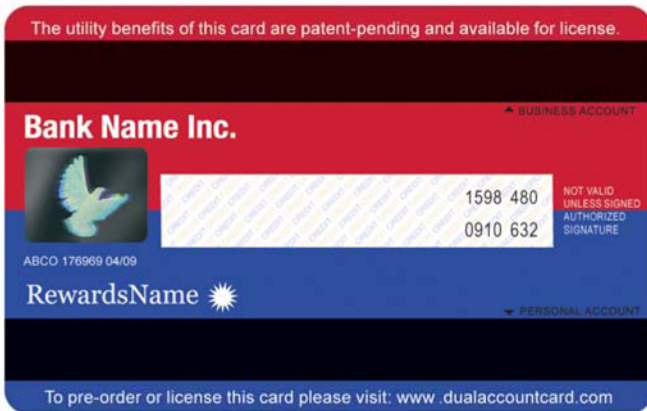
- Public Website Release -

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There are 500 million credit cards issued in the U.S. each year, and the end-to-end cost of issuing one card is \$80



The **Dual Account Card** can be issued for half the cost of two traditional cards, manufactured with half the material, and takes up half the space in the card holder's wallet



Saving up to \$20 billion annually with the Dual Account Card, the banks' profits, the card holders' wallets, and the environment all come out ahead

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1.0 Executive Summary

In the past year, the economic recession and government-backed bank bailout has shed new light on America's financial system. As a result, many Americans have lost their trust in the system. In order to regain the public's trust and increase financial liquidity, banks must find ways to save money and



monitor their expenditures. Jared Joyce, Inc., founded by career inventor Jared Joyce, has invented a product concept that will help solve the banking crisis: a Dual Account Card (DAC) that will save billions of dollars annually that banks spend to market and issue credit cards to consumers. The Dual Account Card is precisely a multipurpose transaction card that can hold two credit accounts on one piece of plastic. The DAC can be manufactured using the same equipment currently used for credit cards – saving banks money, saving space in the customers' wallets, and ultimately reducing the environmental burden of credit cards by reducing consumption. This proposal will highlight the savings Bank of America could receive by adopting this solution.

Bank of America is a world leader in credit card issuance. While Bank of America recently decreased its credit card solicitations by 30%, this still represents a major burden on the bank's bottom line. In 2008, Bank of America issued 80.2 million credit cards, according to the Nilson Report. The Database Marketing Institute states that it costs approximately \$80 to solicit and issue a new card. Based on these figures, this represents a cost of approximately *\$6.4 billion* to Bank of America in 2008 alone. The Dual Account Card's unique attributes, however, can cut this amount in half.

Furthermore, the credit card industry is facing legislative restrictions on its operations that will reduce profits during a time when banks are struggling to stay in business. Finally, the market for the Dual Account Card is enhanced by the public's understanding of the carbon footprint associated with issuing numerous cards to the same user. If a Dual Account Card were implemented by every credit card issuer, the industry could reduce its carbon footprint by 10,500 tons of carbon dioxide annually.

Jared Joyce, Inc. will promote the Dual Account Card solution by operating with a direct marketing strategy that emphasizes its intention to license the DAC technology. To date, the Company's management team has begun to focus on introducing its licensing concept through an established relationship with Bank of America. Once its marketing plan and objectives are clearly outlined, the Company will expand its reach to include direct sales presentations with government entities, primarily focusing on Montana U.S. Senator, Max Baucus, who is chairman of the United States Senate Finance Committee.

Owner and dynamic inventor Jared Joyce is formally educated in architecture and graduated into the world of intellectual property. He has always possessed a passion for the art of invention, and this passion continues to thrive because of his design insight. All products developed by Jared Joyce, Inc. are licensed or manufactured for mass production, and the Company is funded through private investment. His inventor philosophy, "*There's the way we want it to look, and then there's the way we want to live. We must not neglect to design for both,*" is evident in the design and purpose of the DAC.

1.1 Company Ownership

Dual Account Card, LLC will be registered in the state of Delaware.

Dual Account Card, LLC will be owned by Jared Joyce (100%).

1.2 Company Location

Jared Joyce, Inc. is headquartered in Bozeman, Montana.

Jared Joyce, Inc. is owned by Jared Joyce (100%).

2.0 Patent-Pending Dual Account Card

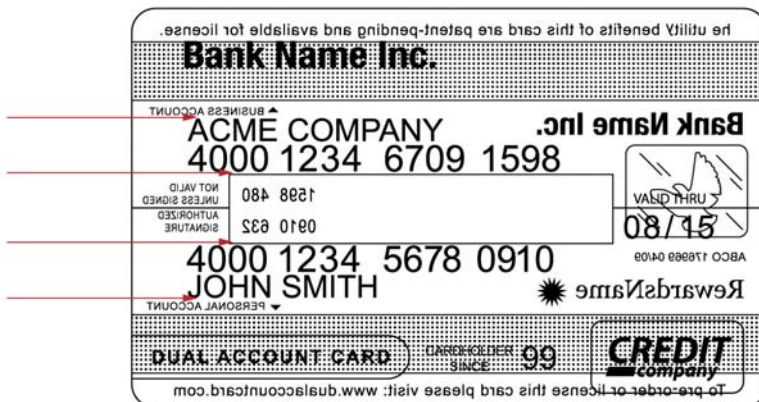
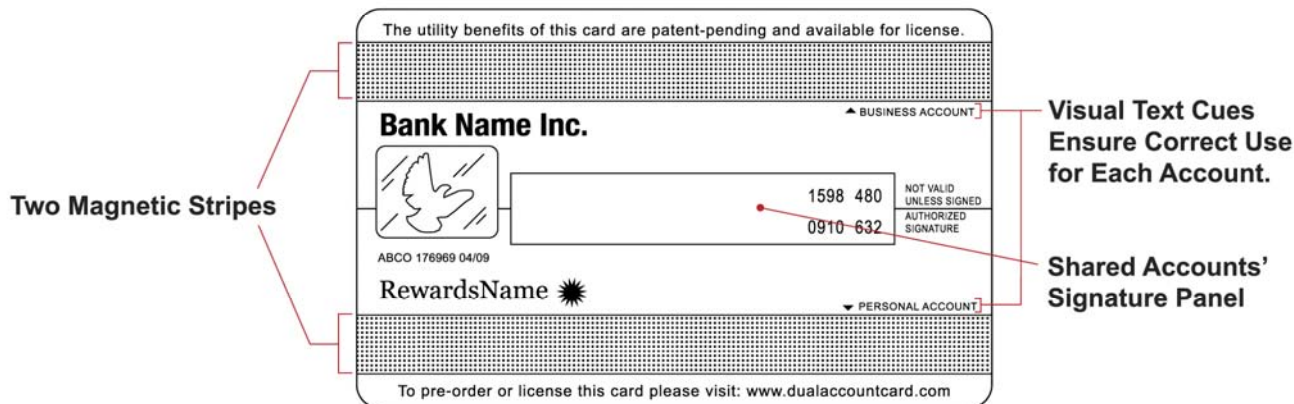
The patent-pending Dual Account Card (DAC) is designed to reduce bank expenses, thereby increasing these institutions' journey to financial recovery. Unique to transaction card designs, the DAC holds all the information a common transaction card holds, but it holds said information for two separate accounts instead of one.

The DAC is designed for seamless adoption and has seen fast-tracked success, given support by virtually every party who has been presented with it. From the time it secured the first round of funding, it was only four months until Arthur Blank and Company (which produces 1.5 billion cards per year and is the largest card manufacturer in North America) was confirmed as the first manufacturer of the DAC. Arthur Blank recently merged and became AB Note North America.

The Dual Account Card provides a “no-brainer” solution to America’s banks: the simple concept of combining two accounts on one transaction card will save banks the money involved in marketing and issuing credit cards, save card holders space in their wallets, and reduce environmental impact by saving materials used to produce traditional single-account credit cards.

Visible to the eye, each half of the card oversees a different account. Color coding makes it easy for the card holder to know which account is being used for each transaction and additional written cues are placed next to each magnetic stripe. Similar to a normal credit card, the Dual Account Card has embossed text and security features. The simplicity of this system, with its visual cues letting the user know the right account is being used, will make the learning curve for the DAC very small. All these benefits to the card holder are achieved while still conforming to the predefined ISO standards for credit cards.

1:1 scale visual representations of the Dual Account Card are on the following page.



Notice that the embossed text from the front of the card does not interfere with the successful design communication on the back, nor does it affect the functionality of the magnetic stripes or signature panel.

The Dual Account Card will benefit card holders who hold more than one credit or debit account. The card can combine any two of these accounts onto one card. For example, business owners can combine their personal account and business account onto a single piece of plastic, saving space in his or her wallet. It also serves the following functions and benefits to the card holder:



Two accounts, one card:

- Creates more room in the wallet
- Business and personal credit account
- Business and personal debit account
- Business credit and debit account
- Personal credit and debit account

2.1 DAC Benefits

The DAC will present several competitive advantages for Bank of America as well as for its card holders. There are no products available on the market that match the simplicity and solution-oriented design of the DAC. The following list illustrates the market needs it meets:



- Issued at half the cost of two traditional single account cards
- Cuts overall plastic waste in half
- Does not need to rely on credit card solicitations in order to proliferate
- Adheres to predefined ISO credit card standards
- No upfront R&D costs because the DAC is available today
- Made with traditional credit card manufacturing equipment
- Saves U.S. banks billions of dollars annually
- Takes up half the space in card holders' wallets
- Information from two transaction accounts is held on one card while presenting an effective communication design that is aesthetically pleasing, well laid out, and fully functional

Bank of America

Bank of America is one of the highest issuers of credit cards in the U.S. Industry sources found that Bank of America has 30 million clients with 2 or more accounts. 30 million Dual Account Cards can be issued to handle those 60 million accounts, and the monthly paper statements for the two accounts can be combined into one mailing. The reduced amount of paper, envelopes, postage and labor achieved by combining these statements amounts to an annual savings of \$10 per account. This instant savings to Bank of America is worth \$300 million annually, and it requires no marketing expense whatsoever:

60,000,000 clients with 2 or more accounts will be issued as
30,000,000 Dual Account Cards, savings of \$10 per account

Savings of **\$300,000,000** per year

Additionally, in 2008, Bank of America issued 80.2 million cards. Theoretically, Bank of America could cut this number in half if it adopted the DAC. Moreover, since it costs approximately \$80 to issue and set up a credit card for a new card holder, the savings from using the DAC are immediate and substantial:

\$6,416,000,000 (amount to issue 80,200,000 cards)
 -\$3,208,000,000 (amount to issue 40,100,000 cards)

Savings of **\$3,208,000,000** per year

3.0 Market Analysis Summary

Credit Card Statistics

Bank of America was the second largest issuer of general-purpose credit cards for 2008. The Nilson Report released the latest statistics of credit card debt, interest rates, credit card scores, delinquencies, and more. Some of the report's most prominent findings are featured below:¹

Most General-Purpose Credit Cards in Circulation (2008)
1. Chase - 119.4 million
2. Citi - 92 million
3. Bank of America - 80.2 million
4. Discover - 48 million
5. American Express - 46.5 million

General-Purpose Credit Card Outstanding Debt Market Share (2008)
1. JPMorgan Chase - 21.22% (17.74%)
2. Bank of America - 19.25% (19.36%)
3. Citi - 12.35% (13.03%)
4. American Express - 10.19% (11.40%)
5. Capital One - 6.95% (6.95%)

(Note: 2007 ranking in parentheses)

According to the American Bankers Association, credit cards are responsible for more than \$2.5 trillion in transactions a year and are accepted at more than 24 million locations in nearly every country in the world. It is estimated that there are 10,000 payment card transactions made *every second*.² In 2007, 97% of consumers indicated that they used a credit card in the past year. In addition to consumers, small businesses' most common source of financing is credit cards.

The U.S. Census Bureau found that almost 1.5 billion credit cards are in use today in the U.S. Stacked on top of each other, these credit cards would reach a height that is thirteen times as tall as Mt. Everest, or 70 miles out into space.³ Debit cards – which are connected to the cardholder's bank account – are

¹ Woolsey, Ben and Matt Schulz. "Credit card statistics, industry facts, debt statistics." May 29, 2009. Obtained at: <http://tinyurl.com/6hdtv6>.

² Ibid.

³ Ibid.

branded with MasterCard and Visa logos in the U.S. There are approximately 126 million MasterCard-branded debit cards and 314 million Visa-branded debit cards in the U.S.⁴

The number of credit card solicitations mailed annually is a subject of debate among market analysts. Mintel Comperemedia estimated that in 2007, 5 billion credit card offers were sent.⁵ This number was disputed by Synovate, which estimates the number to be much lower, at 3.8 billion. Synovate also states that the greatest cuts made by credit card issuers were made by the following companies: “HSBC (-61%), Citibank (-44%), Chase (-32%) and Bank of America (-30%).”⁶ While this reduction dramatically lowers the bank’s expenses in this category, more can be saved by implementing the Company’s DAC.

Overview of the Banking Crisis

The Troubled Asset Relief Program (TARP) became one of the largest components of the government’s measures in 2008 to address the subprime mortgage crisis. This program was introduced to help banks restart the process of lending money to qualifying businesses and individuals; however many lawmakers have criticized banks for their use of the TARP funds, claiming that the money has been hoarded and that not enough has been done to unfreeze credit for consumers and businesses. In addition, Bank of America has been criticized for paying \$15 million in retention bonuses to executives out of the \$45 billion TARP funds it received – funds it has yet to repay.⁷

Financial lending institutions still require a reliable, trustworthy vehicle such as predatory credit card lending practices (PCCLP) to maintain profitability. Without access to TARP funds, banks have also been stripped of their PCCLPs.⁸ The DAC aids banks by saving them money, which would allow them to repay TARP funds, bolster profitability, and even simply stay in business.

Bank of America

During 2008, Bank of America’s dividends dropped to \$0.01 due to the collapse of the financial sector. Despite the economic downturn, Bank of America remains a viable company, having posted earnings of \$4.01 billion in 2008. The bank requires capital to repair its operations and its part of the financial sector.

Bank of America is a worldwide leader in credit card issuance. While this only makes up a portion of the bank’s expenses, reductions here could make a major difference in Bank of America’s bottom line. The Nilson Report states that Chase issued the most credit cards in 2008 at 119.4 million, and Bank of America came in third, issuing 80.2 million cards in 2008.

Bank of America is also ranked low in regard to customer satisfaction. According to J.D. Power and Associates, Bank of America is rated ninth among 10 major credit card issuers. Out of 1,000 points, participants gave Bank of America 692 points. This shows that the bank is in need of an innovative, convenient, and hassle-free product that will not only limit the number of physical cards issued, but it

⁴ Ibid.

⁵ Luchter, Les. Marketing Daily. “Credit Card Offers Dwindled In 2008.” February 2, 2009. Obtained at: http://www.mediapost.com/publications/?fa=Articles.showArticle&art_aid=99511

⁶ Synovate. “US credit card mail volume declined to 3.8 billion in 2008.” January 30, 2009. Obtained at: <http://www.synovate.com/news/article/2009/01/us-credit-card-mail-volume-declined-to-3-8-billion-in-2008.html>.

⁷ The New York Post. “Bailouts Bonus at BofA.” June 18, 2009.

⁸ OkHouse.gov. “Dorman Praises Congress for Restricting Predatory Credit Card Lending.” May 2009. Obtained at: http://www2.okhouse.gov/OkhouseMedia/news_story.aspx?NewsID=3187

will help increase customer satisfaction rates as well. The customer satisfaction survey is provided as follows:

J.D. Power and Associates Credit Card Satisfaction Study Rankings⁹	
1.	American Express: 783
2.	Discover Card: 751
3.	National City: 721
4.	Chase: 719
5.	U.S. Bank: 716
6.	Washington Mutual: 712
7.	Citi: 710
8.	Wells Fargo: 709
9.	Bank of America: 692
10.	GE Money: 683

(Based on a 1,000-point scale)

⁹ Woolsey, Ben and Matt Schulz. "Credit card statistics, industry facts, debt statistics." May 29, 2009. Obtained at: <http://tinyurl.com/6hdtv6>.

The table below shows key statistics from Bank of America's 2008 Annual Report to shareholders regarding the performance of its card services division.¹⁰

Bank of America 2008 Annual Report Key Statistics		
(Dollars in millions.)	2008	2007
Card Services		
Average – total loans and leases:		
Managed	\$229,347	\$208,094
Held	\$124,946	\$104,810
Period end – total loans and leases:		
Managed	\$226,081	\$225,889
Held	\$125,121	\$122,922
Managed net losses ⁽¹⁾		
Amount	\$15,321	\$10,088
Percent ⁽³⁾	6.68%	4.85%
Credit Card⁽²⁾		
Average – total loans and leases:		
Managed	\$184,246	\$171,376
Held	\$79,845	\$70,242
Period end – total loans and leases:		
Managed	\$182,234	\$183,691
Held	\$81,274	\$80,724
Managed net losses ⁽¹⁾		
Amount	\$11,382	\$8,214
Percent ⁽³⁾	6.18%	4.79%
(1) Represents net charge-offs on held loans combined with realized credit losses associated with the securitized loan portfolio.		
(2) Includes U.S. consumer, foreign, and U.S. government card. Does not include business card and unsecured lending.		
(3) Ratios are calculated as managed net loss divided by average outstanding managed loans and leases during the year.		

Environmental Impact of Credit Cards

MasterCard commissioned a study to determine the carbon footprint of credit cards. The study found that the entire credit card industry is responsible for 21,000 tons of carbon dioxide annually. This takes into account the cost of producing, packaging, shipping, and disposing of credit cards.¹¹ According to MSN Money, "the average American holds four credit cards."¹² Using the Dual Account Card, this number could be halved, and the carbon footprint of the credit card industry could be cut by close to half. Most credit cards today are made out of polyvinyl chloride, known for its oily attributes. This requires approximately 45,000 barrels of oil per year.¹³

Bank Spending on Transaction Cards

According to research and advisory services firm TowerGroup, the cost to replace one bank card for customers ranges from \$160 to more than \$200¹⁴ – this number adds to the already \$80 it costs to solicit

¹⁰ Bank of America. 2008 Annual Report. Obtained at: http://media.corporate-ir.net/media_files/irol/71/71595/reports/2008_AR.pdf.

¹¹ MacDonald, Jay. "What's the carbon footprint of your credit card." Obtained at: <http://tinyurl.com/pjzgbj>.

¹² Lewis, Marilyn. MSN Money. "1 in 7 Americans carry 10 or more credit cards." February 14, 2007. Obtained at: <http://articles.moneycentral.msn.com/Banking/CreditCardSmarts/1In7AmericansCarries10CreditCards.aspx?GT1=9113>.

¹³ Obtained at: <http://www.slate.com/id/2216035/>

¹⁴ TowerGroup. MarketResearch.com. "Revitalize the Credit Card Pre-Charge-off Collection Process and Improve the Bottom Line." June 15, 2009. Obtained at: <http://www.marketresearch.com/redirect.asp?progid=67618&productid=2222348>

and issue a new card (according to The Database Marketing Institute).¹⁵ It should be noted that the actual cost to manufacture a card is only about 15 cents; the balance is in marketing costs to acquire a new cardholder. By using the DAC, banks will also reduce their paper, envelopes, postage and labor expenses, at a savings of \$10 per Dual Account Card annually because they will mail out half the number of billing statements each month.

Furthermore, an article from *Internet Wire* reports that improvements to technology, and the process utilized by banks, can help credit card issuers reduce operating expenses, but an investment in qualified collectors provides a larger return on the bottom line.¹⁶ Due to the high expenses of issuing cards and retaining credit card holders, 49% of mail volume (credit card solicitations) was reduced from what it was in the fourth quarter of 2008. Mintel, a global consumer, product, and market research firm, estimates that U.S. card issuers sent fewer than 500 million offers in the first quarter of 2009, the lowest quarterly total record since 2000.¹⁷ This decrease in card issuing and solicitations may be a result of the money required to sign a new card holder. The Company is aware of the high costs of issuing cards and has therefore determined it is the right time to introduce technology that will ultimately lower the number of cards issued, which helps solve this problem the card issuers face.

Technology and Progression of Cards

The card industry is growing, and it will continue to do so, according to market experts. This is due in large part to the rapid advances in technology, the recent IPOs of Visa and MasterCard, an uncertain economy, and shifting consumer behaviors. Already, card issuers and card manufacturers are developing card products that might have been viable a few years back. Moreover, “with reduced funds available for lending and increased loan losses, credit card issuers had no choice but to drastically cut direct marketing for new cards [for consumers] during 2008,” reports Stephen Clifford, vice president of financial services for Mintel Comperemedia. Due to the decreased spending, financial institutions need an innovative product like the Dual Account Card that greatly reduces costs while still providing consumers with an efficient card that holds not one, but two accounts.

3.1 Market Segmentation

The Company will target the banking sector and then end users with the Dual Account Card. The Company’s first target is Bank of America, although every major financial institution that issues credit cards can benefit from implementation of the Company’s product. Credit is a major source of revenue for banks, and thus, each bank is an attractive client for the Dual Account Card.



AB Note North America is the largest manufacturer of plastic cards in North America. It is the first credit card manufacturer to offer the Dual Account Card and is taking orders today.

Additionally, there are plans to create availability for customers to customize their non-financial cards. They will be able to go to a website and decide which two accounts they want to combine in order to create their own customized Dual Account Card.

¹⁵ The Database Marketing Institute. 2009. Obtained at: <http://www.dbmarketing.com/articles/Art175.htm>.

¹⁶ TowerGroup. MarketResearch.com. “Revitalize the Credit Card Pre-Charge-off Collection Process and Improve the Bottom Line.” June 15, 2009. Obtained at: <http://www.marketresearch.com/redirect.asp?progid=67618&productid=2222348>

¹⁷ AdWeek.com. “Americans use credit cards less.” May 12, 2009. Obtained at: http://www.adweek.com/aw/content_display/news/client/e3i322daa247a5902fc32d6f708b827d53e

3.2 Market Needs

The already-troubled financial industry is currently in the midst of being restricted by new legislation that will decrease the industry's profits. New legislation will go into effect in February 2010 to reform rate hike practices. The same bill will limit the ways in which creditors can target minors and college students. This comes on top of the financial collapse that weakened bank profits and hastened the world's descent into recession. The Dual Account Card will enter the market to ease the burdens associated with the recession, credit crunch, financial collapse, and restrictive legislation.

As previously stated, Database Marketing Institute reports that it costs banks approximately \$80¹⁸ to acquire a new credit card customer. As mentioned previously, the U.S. Census states that there are 1.5 billion credit cards in use today in the U.S. The total amount potentially saved by banks is highlighted in the table:

Credit Card Issuer	Credit Cards in the United States	Amount Spent on Issuing Each Card	Amount Potentially Saved Through DAC
U.S. Banks	1,500,000,000	\$80	\$60,000,000,000

(Full Calculation: $(1,500,000,000/2) \times \$80 = \$60,000,000,000$)

It is important to note that this does not represent a one-time savings. As institutions and card holders are aware, credit cards expire every three years.

To calculate the DAC's potential annual savings, the Company has divided the total number of credit cards (1.5 billion) by 3 years (cards are reissued every three years), which equals 500 million cards per year. This number is then divided by two, since the DAC cuts the total amount of cards in half, which results in 250 million cards. Multiplying this number by \$80 (the amount spent on issuing cards) results in total annual savings of \$20 billion:

Amount Saved Every Year in the United States
\$20,000,000,000

3.3 Exclusive License and Account Conversion

While the \$20 billion outlined above is possible if all the banks that issue cards fully implement the DAC, most likely not all the card holders would end up using the DAC because they only have one account, they have an odd number of accounts, or they do not have accounts that are all issued from the same bank.

If all the banks are using the DAC, Bank of America would require 100% of their card holders to switch to the DAC in order to save the \$3.2 billion as shown in section 2.1. However, the average card holder has four active cards in their possession, few of which are all issued from the same bank. Because of this, the DAC becomes more than a simple cost savings vehicle. To the bank that has an *exclusive* license, the DAC also becomes a no-up-front-cost and impactful (a potential three new accounts per card holder) conversion vehicle. It will draw in new accounts as people recognize all the benefits of having two DAC cards instead of four traditional cards. There are also approximately 400 million debit cards in the U.S.¹⁹ that are eligible to be combined onto a Dual Account Card beyond the 1.5 billion credit cards mentioned in section 3.2.

¹⁸ The Database Marketing Institute. 2009. Obtained at: <http://www.dbmarketing.com/articles/Art175.htm>.

¹⁹ Ibid.

In addition to existing cardholder conversion, people just getting their first checking account and credit card will be more likely to get both with the same bank because of the DAC, rather than getting a checking account and going elsewhere for their credit card account, as many do currently.

According to the U.S. Census Bureau, there will be a 16% population growth of people over the age of 18 by the year 2025.²⁰ This means the number of credit cards in circulation will have reached approximately 1.74 billion. This is 240 million more accounts than exist today.

In a recent survey, 41% of people stated that they would “Probably” or “Definitely” want to use the Dual Account Card after being presented with it. For the complete survey, please see the appendix at the end of the business plan. The survey was conducted online, 444 people completed it, and there was a 4.66% margin of error.

4.0 Strategy and Implementation Summary

In order to become adopted by major banks in the U.S., the Dual Account Card intends to license the technology of the card. This direct marketing strategy will prove beneficial as banks can choose their own account programs while still having access to an innovative card with two magnetic stripes.

4.1 DAC Strategy

The Company’s management team will continue to pitch the licensing of its Dual Account Card technology through meetings with corporate professionals at banks on both coasts. The benefits of using this method include:

- Increasing awareness while piquing interest and lowering marketing costs through increased efficiency
- Immediate results, as these calls and meetings can generate interest instantly
- Enhanced lead generation



4.2 Government Entity Strategy

The Company has outlined a direct marketing strategy that will promote its innovative, highly effective solution to the national financial crisis that the world is facing today. Its goal is to reach the following government officials:

- Montana State Senator, Max Baucus, Chairman of the United States Senate Finance Committee
- Montana State Senator, Jon Tester
- Montana State Congressman, Denny Rehberg
- United States Senate Finance Committee

²⁰ U.S. Census Bureau. U.S. Population Projections. Obtained at:
<http://www.census.gov/population/www/projections/summarytables.html>.

5.0 Management Summary



Jared Joyce, Owner

Mr. Joyce is one of the most dynamic inventors in action today. After completing formal education in architecture and then graduating into the world of intellectual property, Mr. Joyce is an inventor and entrepreneur whose insight for the human condition leaves him in a class of his own.

Today, he continues to prove himself as a creative genius with a rigorous schedule at which he invents, brings his inventions to market, and continually attracts a large fan base to support his efforts. His company, Jared Joyce, Inc., develops his inventions to be licensed or manufactured for mass production, and private investment funds the process.

6.0 Investment Opportunity

Dual Account Card, LLC will have a limited number of membership units for sale. For more information please contact:

DualAccountCard@JaredJoyce.com