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To: Federal Reserve Financial Services, Bank Officers and Industry Analysts,

From: Edward V. Szofer and Allison DeBonnett, Principals

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International Cyberbanque, Ltd. would like to take this opportunity to address the recent observations denoted by the Federal Reserve Public Consultation Paper regarding Payment System Improvements (Fed Paper). Our firm invested more than 18 years of research and development into DDA to DDA mobile payment systems architecture, relevant to questions posed by the Fed Paper. We have substantial research in support of the Fed Paper's findings.

CyberBanque has cultivated overwhelming industry interest in this very subject, by way of a collaborative solution set that provides a compelling business model on behalf of stakeholders to the payment system, including U.S. arbiter of banks, the Federal Reserve System of Banks.

Many years ago, our company's principal architect and team of advisors took a pro-active approach in designing the technical architecture and hierarchical structure for seamless, ubiquitous, device agnostic and secure payments, via the newly commercially available internet platform. As one of the first to proffer the assertion of Internet Protocol (IP) based payment without wires, irrespective of devices and payment tokens like credit cards, debit cards, checks or even cash, prospective global stakeholders have now embraced this DDA payment paradigm.

Over the years, our company participated in numerous payment conferences hosted by the Federal Reserve System, U.S. Patent and Trademark Offices and Harvard University, showcasing the simulation of end-to-end real-time DDA based mobile payment, among many global payment industry stakeholders and various influential vertical market merchants.

Convincingly, our research and development activities sought answers for questions like those posed in the Fed Paper, along with additional questions such as:

- What will the world of global payments, Point-of-sale (POS) and m/ecommerce transactions look like in 5, 10 or 20 years from now?

- What will the global landscape of payment stakeholders, merchants, businesses, banks and governmental regulatory agencies consist of?
- What technological developments in payment-based hardware, software, wireless spectrum, scientific and the geo-political strata will be prevalent in the future?
- How will consumers and businesses conduct transactions in the future, offline or online?
- Will existing payment methods and technologies continue to exist in the future?
- Will cash be a predominate payment method in the future and to what extent, if not?
- Will there be a common standard of payment across geographic and cyber-boundaries?
- Upon what present and future payment rails will future payment methods exist?
- Will payment solutions be proprietary or open-architecture/collaborative in scope?
- Will payment solutions be bank-centric, merchant-centric, consumer-centric or hybrids?
- How will the Federal Reserve System of Banks and the global systems of foreign banking entities best serve the public good, by developing a regulatory framework that leverages the existing payment ecosystem, while fostering innovation and without strangling implementation of forward-thinking payments evolutionary strategies?

As a result of our research, development and the aforementioned questions addressed, we have made a number of observations and assumptions for consideration, as well as providing answers to questions denoted in the Fed Paper. We surmise that one entity cannot do it alone.

In fact, many proprietary payment solutions have already entered and will be deployed to the marketplace. Many have faltered in the past due to ill-timed deployment or non-collaborative platform enablement. A successful payment solution set must encompass a collaborative topology and strategy, end-to-end. Most in-person payments transactions can be denoted in seven parts: consumer/user, front-end enablement methodology, merchant/vendor, Point-of-sale interface, middleware payment platforms, back-end settlement/clearing processes and regulatory audit/reporting processes. Thusly, payment channel collaboration is required.

Accordingly, CyberBanque's technology focuses upon and solves for the **front-end enablement** part of the transaction process, providing robust front-end consumer/user authentication and device/wallet agnostic payment technology, enabling interoperability and broad spectrum connectivity between IP enabled devices. The CyberBanque solution set delivers real value to a global payment system that requires collaborative, ubiquitous, device agnostic and secure innovative products, for strategic and trusted stakeholders in the current payments ecosystem.

Therefore, we agree with Fed Paper positions that market driven and collaborative solutions are needed, providing compelling value for: banks -- in the form of optimum use of assets; merchants -- in the form of lower transaction costs and reduced loss due to fraud; as well as to consumers -- in the form of identity theft prevention and increased mobile payment utility.

Summarily, we embrace the notion that the Federal Reserve System of Banks will play an integral part in domestic real-time payments and will benefit from global integration efforts, in order to ensuring safety, security and public confidence in future innovative payment methods.