



Presentation

Mid-Atlantic AML Conference

July 27, 2010



Green Dot Corporation

- Green Dot Corporation (GD) invented the retail prepaid debit card product, and is the largest company providing such products and services through more than 40,000 stores nationwide.
- On behalf of card-issuing banks, GD provides marketing and customer support for the sale of prepaid debit cards.
- GD processes customer applications, collects and verifies certain customer information and monitors card activity on behalf of the issuer.



Green Dot Corporation

- On behalf of the card-issuing institutions, GD markets the cards and its MoneyPak reload products by establishing retail-selling locations. On a daily basis, these retail sales locations remit funds collected, via ACH, to the card-issuing financial institution.
- Funds collected do not belong to GD, but are held in trust by the issuing bank for the cardholders.



3 COMPANIES IN ONE

Retail packaged goods provider:

- In-store presence design and dev.
- Merchandising/ category mgmt
- Inventory monitoring & fulfillment
- Promotions & marketing
- Sophisticated supply chain management across 52,000 locations



Financial services provider:

- Largest "issuer"
- Large selection of award winning products
- Industry leading customer service
- Full portfolio management
- Complete legal compliance

Green Dot Network (Money Pak)

- Proprietary links to POS with cash settlement
- Links to merchants/billers and aggregators
- Full licensing and compliance infrastructure
- Network underwriting/fraud and customer service
- Daily settlement, reconciliation and audit



KEY RETAIL PARTNERS

Drug

Walgreens

CVS
pharmacy

DRduane reade
New York's #1 Drug Store

RITE
AID
PHARMACY

Longs Drugs

Electronics

R RadioShack.

Grocery

Kroger

Ralphs

FOOD 4 LESS

Smith's
FOOD & DRUG STORES

QFC
Quality Food Centers

KING
Schnuck's
CityMarket

Schnuck's

Convenience

7
ELEVEN

K
KANGAROO
EXPRESS
The Pantry

SUNOCO
VALERO

Cumberland
Farms

HESS

TA TravelCenters of America

Discount:

Walmart 

K
kmart

Higher Standards
meijer
Lower Prices

Fred Meyer

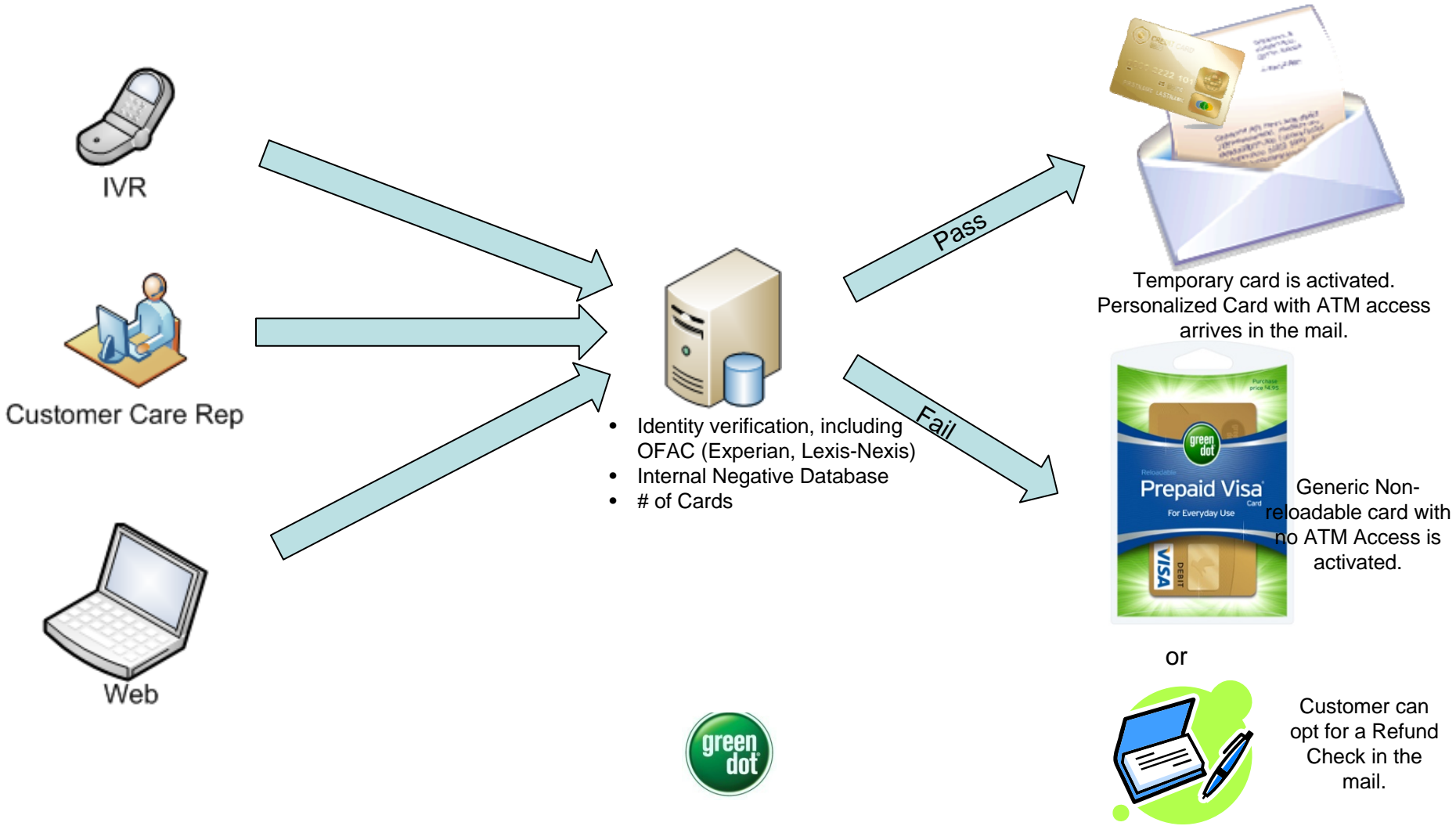
Kiosk

Coinstar

green dot



There are three ways a customer can activate a card; all use the same verification rules.



- Green Dot Instant Issue



green
dot

GOLD

4000 1234 5678 9010

4000

DEBIT

VALID
THRU 05/13

YOUR NAME GOES HERE

The VISA logo is displayed in its characteristic blue and yellow colors on a white rectangular background.

www.mygreendot.com

Customer Service/Servicio al Consumidor 1-866-795-7597

F63980

Authorized Signature

Not Valid Unless Signed



Firma Autorizada

No Es Válida Si No Está Firmada

This Card is issued by Columbus Bank and Trust Company pursuant to a license from Visa U.S.A. Inc. Card is provided by Green Dot Corporation. By accepting, signing or using this Card, you agree to the terms of the Cardholder Agreement. La Tarjeta es emitida por el Columbus Bank and Trust Company conforme a una licencia de Visa U.S.A. Inc. La Tarjeta esta proporcionado cerca de Green Dot Corporation. Al aceptar, firmar o usar esta Tarjeta, ha aceptado los términos del Convenio de Tarjeta Habiente.



GD AML Overview

- Collects and verifies, via Experian software, personal information of prospective cardholders
- Activates account(s) only for an individual with a verified SSN
- Confirms that the prospective cardholder(s) is/are not on the OFAC/SDN list
- Monitors all transactional activity on GD cardholders
- Files SARs and CTRS as a “money transmitter”
MSB



GD AML Overview

- Conducts annual BSA/AML training for applicable employees
- Registered with FinCEN as an MSB “money transmitter”
- Licensed in all States requiring GD registration as a money transmitter
- Provides retailers selling GD cards and reload MoneyPaks with AML educational and training materials



Green Dot Financial Network (GDFN)

- In addition to the GD prepaid debit card program, GD operates the GDFN, one of the largest retail-based cash acceptance networks in the United States.
- Utilizing GDFN member bank issuers, consumers at more than 40,000 retail locations across the country can use the GD MoneyPak to reload any prepaid card issued by a GDFN member bank.
- Currently, there are some 152 such programs (125 card-issuing and 25 non-card Bill Pay) for which GD MoneyPak can be used to load.
- Recently, Paypal was added as a partner.
- GD's relationship to the overall transactional activities occurring through GDFN partner's issued cards is limited to those cash reloads involving MoneyPak.
- GD does include AML Policy requirements in its GDFN Operating Rules.



Use PayPal to shop on eBay and more

PayPal™

eBay™

Service Fee: \$4.95

green dot MoneyPak®

Send money safely and securely

- ✓ Reload Prepaid Cards
- ✓ Make Same-Day Payments*
- ✓ Add Money to a PayPal Account
Shop anywhere PayPal is accepted, including eBay.
No credit card or bank account required.

green dot MoneyPak

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To prevent fraud, refunds are not allowed at the store for any reason. Learn more at www.moneypak.com or call 800-GREENDOT (800-473-3636).
A \$4.95 monthly fee will be applied against any remaining funds on the MoneyPak beginning 91 days after purchase, except where prohibited by law.

How MoneyPak® Works

Reload Prepaid Cards

 and more...

Make Payments

 and more...

Add Money
 Use **PayPal™** to shop on **eBay™** and more...

Step 1: Load Cash to MoneyPak
Go to the register and add any amount from \$20 to \$500. A service fee of \$4.95 will be added to your total.

Step 2: Send it
Visit www.moneypak.com or call (800) 473-3636 to send your money using the MoneyPak Number below.

*When making same-day payments, check with the receiving company for their policy on when they will credit your account.

Scratch off for MoneyPak Number

00.000.JUN09





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How MoneyPak Works

- Reload Prepaid Cards**
 account, rePower, and more...
- Make Payments**
 dish, metroPCS, and more...
- Add Money**
 Use PayPal to shop on eBay and more...

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 Go to the register and add any amount from \$20 to \$500. A service fee of \$4.95 will be added to your total.

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CUSTOMER EXPERIENCE



Step 1

- Customer purchases a MoneyPak from participating retail location
- Provides desired amount in cash to clerk plus the service fee of \$4.50-\$4.95
 - Number on back of package is activated at checkout (Some retailers print it on the receipt)
 - Funds are available immediately



Step 2

- Customer contacts Green Dot via phone (IVR) or web
- Provides MoneyPak number & partner account number to transfer funds
 - Funds verified in real-time
 - Good funds are guaranteed instantly and settled next day



What



Does



	Green Dot Customer		GDFN Customer	
Provide Materials to Retailers	✓		✓	
Card Limitations	✓	Initial load of \$20 - \$500 10 cards per SSN		
Customer ID Verification (CIP)	✓			Paypal only
OFAC Check	✓			
Verification	✓	Activate card(s)		
No Verification	✓	Send NPNR for value of initial load		
Track Cash Load/Reload	✓			Monitor Velocity of GD Money Pak only Daily/Weekly
Track All Transactions	✓			GD Money Pak only
File SARS	✓			File as MSB Transmitter (only for GD Money Pak loads)
Suspend/Terminate Account	✓			



What



Tracks



	Green Dot Customer		GDFN Customer	
Retail Purchase of Card - Initial Load	✓			
Activation Process	✓			Paypal only
Reloads (Money Pak/Swipe/Direct Deposit)	✓			GD Money Pak only
Total Account Activity	✓			
Account Suspension/Closing	✓			
Retail Sales Reload Volume	✓			GD MoneyPak sales only



GD Post-Card Activation AML Controls

- Max cash load is \$2,500/day; max ACH/direct deposit loads are higher, but are subject to spend/pull limits below
- Max spend is \$2,500/day; max ATM withdrawal is \$400/day
- Based on internally-generated and adjusted as-needed criteria, GD Compliance identifies anomalous activity



GD Post-Card Activation AML Controls, cont'd

- GD Compliance receives the results of daily/weekly/monthly/quarterly electronic queries performed on GD cardholder transactions and household activity
- Criteria utilized include cash load velocity (load/withdrawal); multiple cards using common identifiers including SSN/address/telephone; and foreign transactions
- GD Compliance receives velocity reports on retail sales of new card and reload volume



GD Post-Card Activation AML Controls, cont'd

- When anomalous activity is detected, account across SSN suspended or terminated
- When appropriate, SARs/CTRs are filed by GD as MSB-money transmitter
- Notification to card-issuing bank for its consideration of separate SAR filing
- GD provides customer records in response to law enforcement and 3rd party subpoena requests.



GD Post-Card Activation AML Controls, cont'd

- GD received and responded to 256 subpoenas, and filed 1,137 SARs in 2009
- GD has testified in over 10 Federal and State trials involving abuse of prepaid card products



Foreign Transactions

For the Third Quarter of 2009 (July – September)

- Domestic **Spend** by Amount: **99.842%**
- Foreign **Spend** by Amount: **00.158%**

- Domestic **Spend** by Transaction Count: **99.882%**
- Foreign **Spend** by Transaction Count: **00.118%**

- Domestic **ATM** Pull by Amount: **99.459%**
- Foreign **ATM** pull by Amount: **00.541%**

- Domestic **ATM** Pull by Transaction Count: **99.439%**
- Domestic **ATM** Pull by Transaction Count: **00.561%**



Questions?

Contact:

JEFF ROSS

Chief Compliance Officer

Green Dot Corporation

JRoss@GreenDotCorp.com

626-775-1713 (W)

626-298-0480 (C)

