

Peter J. Quadagno

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Accomplished **PAYMENTS INDUSTRY EXECUTIVE** with 30 years' experience in developing and implementing strategic, business, marketing, operating and project plans for launching or sustaining automated payment products (debit, credit and stored value), e-commerce and identification systems using card technologies and online transaction processing systems.

An effective communicator and principled leader who is a supportive manager and responsive subordinate.

Key Accomplishments

- **FOUNDER – MAVERICK NETWORK SOLUTIONS INC.** – Built the infrastructure, negotiated all vendor and customer agreements, led company into timeshare as a vertical for stored value products, negotiated and closed Expedia.com as a customer and took VC money in Dec 2008. Created de-coupled debit product for company.
- **STORED VALUE BUSINESS DEVELOPMENT FOR COINSTAR** – Working for the General Manager of a newly formed division called the E-Payments Group, this engagement lasted 22 months working with the leader in kiosk network deployment, with installs in over 12,000 grocery and department stores, to help them understand how their kiosk network could be positioned to exploit applications in stored value, from technical, operational and marketing perspectives. This assignment also resulted in developing strategies for E-pay.
- **STORED VALUE MARKET ASSESSMENT AND STRATEGIC POSITIONING FOR HYPERCOM** – Worked with the CEO of Hypercom to provide the company with an understanding of the players in the stored value arena that could be targets for acquisition. Companies targeted included distributors of stored value products, processors of stored value transactions and content providers or program managers with clear distinguishing product characteristics.
- **STORED VALUE PROGRAM DESIGN FOR INTERCEPT PAYMENT SOLUTIONS** – Developed product launch capabilities for providing access to university student financial aid by integrating stored value card functionality in the student's identification cards. Worked with Florida State University as co-designers for the card program.
- **STORED VALUE PRODUCT EVOLUTION AND BUSINESS CASE ANALYSIS FOR QWEST** – Evaluated the business case in 2000/01 for evolving Qwest Communication International's prepaid long distance product line into a cash and gift card business using both retail and consumer local and long distance customers as channels for product marketing/introduction and supported by the POSA system developed for their prepaid products line.
- **POINT OF SALE ACTIVATION SYSTEM DEVELOPMENT** – During consulting engagement with MCI in 1997, began work to develop an activation system for prepaid phone cards but was released before the plans could be fully vetted and executed. Following MCI's release of my contract, was retained by Qwest Communications International's prepaid phone card group to launch a point of sale activation service meeting Qwest's requirements for operating methodologies. The service launched in August 1998.
- **PUBLIC TRANSIT/STORED VALUE PRODUCT LAUNCH AND BUSINESS CASE DEVELOPMENT** – During '02 to '04, assisted the Metropolitan Atlanta Rapid Transit Authority develop business and operational plans for launching a smart card-based stored value system. During the '90s, developed business and operational plans for expanding the use of a proprietary stored value card leading to the creation of a new public authority subsidiary of the Metropolitan Transportation Authority in New York City. Managed \$50 million of \$750 million budget to launch stored value MetroCard.
- **BOARD OF DIRECTORS** – former acting Chairman and Vice Chairman, Smart Card Industry Association '98, '99 and '00; voted to merge SCIA with the Smart Card Forum to create the Smart Card Alliance; active participant in merger discussions; SCA Director's term expired September '01.
- **LAUNCHING UNIVERSITY SMART CARD SYSTEMS** – Worked with one of the first smart card systems integrators to issue smart card technology to university students as their ID cards that would be used in a variety

of applications. Participated in the issuance of the Florida State University ID card program during Q&A's engagement with CyberMark. Also, Q&A initiated stored value opportunity for InterCept Payment Solutions to launch a university stored value card for financial aid disbursement using the student's ID card.

- **EXPERT WITNESS** – I've worked on two cases as an expert witness. The first was settled out of court in the plaintiff's favor, where I was the plaintiff's witness and deposed for a day on a case involving the implementation of a smart card-based stored value system on a university campus. The second is currently in litigation and is a patent infringement lawsuit involving stored value cards that use VisaNet for processing purposes.
- **PUBLIC SPEAKING ENGAGEMENTS** - Invited by bank, telephony and transit industry trade groups and associations to participate as member of faculty of presenters regarding current payments industry and card technology issues.
- **ADJUNCT PROFESSOR, PACE UNIVERSITY in White Plains and Pleasantville, New York and SINCLAIR COMMUNITY COLLEGE in Dayton, Ohio** - Taught undergraduate course work in Statistics, Linear Algebra and Finite Math.

April '09 to Present

QUADAGNO & ASSOCIATES, INC.
West Chester, Pennsylvania
President and CEO

Re-started Q&A with a renewed focus on setting up companies to be program managers for prepaid product programs, using a variety of processors, including Maverick Network Solutions, to deliver a broad range of payment services and advanced payment product types for B2B opportunities. Initial focus is with companies that are members of a wide variety of industry associations, including the Electronic Transaction Association, the American Resort Development Association, the Smart Card Alliance, the National Association of Campus Card Users, the National Association of Convenience Stores, the American Staffing Association, the American Telegraphic Association and the American Association of Advertising Agencies. Members in these and other associations are prime targets to become their own program managers, thereby controlling the delivery of the services their customers will demand as they launch prepaid programs. As they launch these programs they'll call on Q&A to assist them as subject matter experts, helping them to navigate the landscape of the ever-increasing and arcane nature that represents the global transference of value from one entity to another – something we call The Payments Industry.

Aug '06 to April '09

MAVERICK NETWORK SOLUTIONS INC.
Wilmington, Delaware
President and COO

Maverick Network Solutions is a stored value card program management and transaction processing company that was founded by me and 3 other people with vast experience in stored value and payment systems development. Maverick's mission is to launch B2B and B2B2C card programs for gift cards, reward, incentive and promotional card programs. Our initial focus is the pharmaceutical market where we work to launch stored value cards that are handed to patients by their physicians for the purpose of paying for the patient's co-pay or for providing the patient with cards that represent a fixed amount of the prescribed medication. The purpose of these programs from the pharmaceutical's perspective is to ensure patient compliance and persistence in the taking of their prescribed medications. Additionally, Maverick is also focused in the money transmission, bill pay, prepaid telephony top-ups (loading value to an existing prepaid card) and payroll card programs for companies wishing to provide their employees with cards instead of weekly or bi-weekly pay checks.

Jan '96 to Aug '06

QUADAGNO & ASSOCIATES, INC.
West Chester, Pennsylvania
President and CEO

Quadagno & Associates, Inc. is a card technology and payments industry consulting firm whose private sector clients have included Coinstar, Inc. (with coin processing hardware in over 12,000 grocery stores in the US), Hypercom Corporation (a worldwide POS terminal vendor), InterCept Payment Solutions (a credit card processor and sub of The InterCept Group; a third party bank processor), Qwest Communication International's Prepaid Phone Card

Group, MCI Prepaid (prior to MCI's acquisition by Worldcom), Cable & Wireless PLC, CyberMark (when owned by Sallie Mae, Battelle Memorial Institute and Huntington Bancshares and in the business of issuing student identification cards for major US universities), and public authorities including the Metropolitan Atlanta Rapid Transit Authority, New Jersey Turnpike Authority and Seattle's King County Metro for the Central Puget Sound Fare Coordination Project.

Q&A has performed business development on strategic issues related to stored value opportunities for Coinstar and investigated merger and acquisition opportunities for Hypercom in the area of stored value distributors and processing providers.

Following are highlights of accomplishments with the indicated client:

- Coinstar – from March '04 until September '06, worked for the GM of the e-Pay division; developed business relationships with many of the country's leading stored value processors and card program managers that positioned Coinstar's kiosk network as a load value center, payroll card processing and statement provisioning centers and card selling or issuing centers. Also managed an effort to analyze product development needs that addressed Coinstar's evolving role in providing support services to a variety of stored value programs.
- Hypercom Corporation – from August '03 until February '04, developed a strategic plan calling for a roll-up of prepaid product providers in telephony, gift cards and other stored value venues. Reported directly to the Chairman and CEO.
- InterCept Payment Solutions – from May '03 to March '04, retained by the CMO and worked to deploy a stored value system for universities using the student's identification card to withdraw financial aid funds from bank accounts and routing the transactions over national and regional ATM and POS networks. Funding for the stored value account came from both financial aid and other sources. Also investigated a stored value solution/alternative for the historically subscription-based services used by viewers of internet content material for an IPS subsidiary formerly known as iBill.
- MARTA – from Sept '02 until May '04, worked with the Metropolitan Atlanta Rapid Transit Authority and its project manager for what would become the Breeze Card. Project called for development of work scopes for business, marketing and operating plans to launch Breeze, which would replace MARTA tokens in favor of a contactless microprocessor smart card technology as MARTA's new fare card.
- Qwest Communications International's Stored Value Systems Division (responsible for marketing Qwest's prepaid phone cards) – from November '97 until August '98, developed business and operating plans for product line evolution to stored value cash and gift card products. Developed point of sale activation (POSA technology) solution using a Visa USA non-private label BIN for routing activation transactions from the retail POS. Also developed requirements documentation for an ERP back office system to manage the sale of prepaid phone cards and other types of stored value products from merchant locations, distributors and wholesalers.
- Qwest, Cable & Wireless, SpendCash (an internet cash card start-up) and Orbnet (an early stored value program manager start-up) – from October '98 to August '00, launched operating methods using a 4-series Visa USA authorization-only BIN acquired from various financial institutions that issued Visa credit cards. Used the routing abilities of VisaNET to activate prepaid phone cards and other types of cash cards at the point of sale.
- Qwest – from November '00 until January '02, developed business plans for launching anonymous stored value and money transfer products with the merchant base selling Qwest's prepaid phone cards and through direct mail with over 4.5 million Hispanic households who were also Qwest local and long distance customers.
- MCI Prepaid – from January '97 until December '97, worked to implement POSA solutions; led effort to work with the NYC MTA to launch a combined prepaid phone card/MetroCard product in New York City.
- MCI Government Markets – from February '96 until January '97, launched student identification cards for Florida State University; project was funded by MCI and used smart card technology in a variety of applications.
- CyberMark – during '98, developed product launch plans and operating policies and procedures documentation in collaboration with a variety of vendors who worked with CyberMark's customers in the deployment and management of student identification card programs using smart card technology. CyberMark's role was systems integrator.

- NJ Turnpike Authority; Subcontractor to Phoenix Planning & Evaluation (n/k/a Maximus) – during '99, developed selection criteria and reviewed proposals for EZ-Pass from vendors vying to create a clearinghouse system that would provide interchange of stored value transactions acquired using transponder and/or smart card technologies with multiple toll collecting authorities.
- King County Metro, Washington State Ferries Central Puget Sound Fare Collection Project; Subcontractor to IBI – during '98, developed clearinghouse operational procedures, vendor selection processes, assessed operating methods for fare policy integration, and provided guidance on overall program coordination.

May '94 – January '96

**ELECTRONIC PAYMENT SERVICES, INC.
SMART CARD ENTERPRISE
Wilmington, Delaware
Senior Manager, Transitional Services**

Reported to President, Smart Card Enterprise and responsible for investigating and, as appropriate, launching stored value products using smart card technology in a variety of vertical markets; managed a half dozen people directly and a number of vendors (in total, about 40 people, directly and indirectly) to achieve the following:

- Developed business plans for the application of smart card technology in closed stored value systems for various vertical markets;
- Analyzed the university market in detail, and built a sound business case showing the economic rewards and justification for pursuing this market by applying smart card technologies to a broad spectrum of applications found on a university campus;
- Attended meetings with U.S. Treasury and the Veterans Administration to discuss smart card applications in a variety of government venues;
- Managed the installation of smart card systems for Bank of America's Concord Plaza facility in San Francisco, CoreStates Bank's Plaza in Philadelphia and EPS's headquarters in Wilmington, Delaware;
- Launched a pre-paid phone card product for EPS and its member banks. The product would be replenishable using bank-issued debit and credit cards. This effort required contract negotiations with the telecom service provider, developing product policies and operating procedures, managing the effort to create an RDBMS back office product support system and ensuring the certification of PIN-less debit and credit card transactions through BuyPass, another EPS company. The product was released in April 1995;
- Participated in an EPS Task Force investigating the company's role in EBT.

June '89 – May '94

**METROPOLITAN TRANSPORTATION AUTHORITY
METROPOLITAN TRANSPORTATION AUTHORITY CARD COMPANY
New York, New York
Vice President, Operations (MTACC; May '93 to May '94)
Director, MetroCard Department (MTA; Jan '91 to May '93)
Deputy Director Automated Fare Collection; Real Estate Department (MTA; Jun '89 to Jan '91)**

Responsible for launching MetroCard, a magnetic stripe, stored value card product used to ride New York City's subways and buses, with complete control over all aspects of the marketing mix, support requirements and business issues related to the product's launch, with a launch budget of \$75 million. The effort required managing between 40 and 70 people as we prepared for launch and as product adoption surged in the early days of the launch. The project's overall budget was in the \$750 million range for infrastructure improvements and marketing initiatives. A preponderance of these funds (\$500 million) was earmarked for rebuilding the subway's electrical system and the installation of new railings, gates and turnstiles. Electronics and host systems for the project totaled \$150 million.

Accomplishments were:

- Deployed over 100 ATMs to commuter rail platforms of the Long Island Rail Road and the Metro-North Commuter Railroad for the MTA's Real Estate Department, leading to revenue generation in the \$2 to \$4

million range. The MTA Real Estate Department is responsible for exploiting infrastructure to generate revenue from existing assets;

- Established card issuance and management subsystems, customer service inbound support functions and an out-of-system sales distribution network of merchants who were paid commissions for selling MetroCard product;
- Created evolutionary plans for using MetroCard in other MTA subsidiary agencies including Metro-North, LIRR and the MTA's toll collecting agency called the Triborough Bridge and Tunnel Authority;
- Successfully lobbied for the creation of a new MTA public authorities subsidiary agency that adopted the name "MTA Card Company" and which was signed into law by New York State Governor Mario Cuomo and MTA Chairman Peter Stengl;
- Spearheaded the effort to create a public/private joint venture with MTACC in separate negotiations with Chemical Bank, Chase Manhattan Bank and Citicorp; the new venture was envisioned to be responsible for evolving MetroCard into a general purpose payments device;
- Achieved first year market penetration goals within first 6 months of the product's launch for both number of cards issued and number of retail establishments selling MetroCard;
- Acquired office space, developed job goals and requirements, identified organizational structure, hired staff and managed the development of business plans with funding for market research, product planning (for distribution, promotions and development), modeling and pro forma financials, operating policies and procedures, and projections for card adoption, use, encoded value, etc.

April '88 – February '89**CARMODY & COMPANY - MANAGEMENT CONSULTANTS**

Woodcliff Lake, New Jersey

Engagement Manager/Marketing Director

Participated in and/or managed engagements involving ATM program design, ATM and POS network competitive analyses, POS draft capture market opportunities studies, developing fare media distribution strategies for the MTA, and developing statistical models for evaluating market research results.

Clients included GTE Tymnet, MasterCard, Visa USA, Discover Card, the Metropolitan Transportation Authority, Emigrant Savings Bank and American Express.

September '87 – March '88**TECHNICAL SUPPORT SERVICES, INC.**

Ossining, New York

District Sales Manager

Managed sales in the Northeast region for ATM support services including first line maintenance, cash replenishment and monitoring site and network security.

January '84 – September '87**NCR CORPORATION - FINANCIAL SYSTEMS DIVISION**

New York, New York

Executive Account Manager - ATM Vertical Business Unit

Sold ATMs to banks, networks and retailers throughout New York state.

- Developed over \$5 million in business the first year, and established 15% minimum annual growth curve for ATM revenue in my territory.
- Successfully acquired the business of the MetroTeller network--a regional ATM/POS network owned by Empire of America in Buffalo, NY and noteworthy in light of MetroTeller's litigation against NCR.
- Acquired the business of Datek-InstaCard, another Buffalo-based regional ATM network competing with MetroTeller; Datek was owned by Goldome Bank for Savings with whom we worked to install over 100 ATMs in convenience and grocery stores in upstate New York.

October '81 – January '84

MANUFACTURERS HANOVER TRUST COMPANY
New York, New York
Assistant Vice President - ATM Project/Debit Card Product Management

Responsibilities included managing the project to install over 150 ATMs (4.5 million in ATM sales) to create MHT's proprietary ATM network. Project budget exceeded \$18 million, including first year operating expenses and all capital improvements.

- Chaired the ATM Project Team and managed a capital appropriations budget of \$17 million; the team consisted of 13 functional areas within the bank that were responsible for developing all user requirements, software development, testing and installation, determining ATM locations, branch reconstruction, developing operating policies and procedures including handling FRB Reg E requirements, branch operations and network control, establishing the customer services unit, branch personnel training, and developing marketing plans for MHT's proprietary debit card;
- Developed and executed strategic marketing plans for the bank's ATM debit card (PIN-based) with budgets in the \$2 million range and touching nearly every division within MHT's Retail Banking group;
- Participated in the development of operating rules and procedures for the Cirrus ATM network (which was a start-up at the time).

June '80 – October '81

NCR CORPORATION - FINANCIAL SYSTEMS DIVISION
New York, New York
Senior Account Manager

Relocated to New York to manage the Manufacturers Hanover Trust account. The bank had purchased 150 ATMs to create its proprietary network, was familiar with my work in developing the bank's out-of-policy discount program in my former role as pricing analyst and requested my assignment as member of the project installation team. MHT was my only customer.

May '79 – June '80

NCR CORPORATION - ADMINISTRATIVE DIVISION
Dayton, Ohio
Pricing Analyst

Responsibilities included developing and analyzing pricing models to optimize profitability and ROI for new product releases and inventory sell-offs, developing repricing strategies and market positionings for products offered to banks at various stages of the product life cycle, and evaluating financial implications of special, large volume proposals requiring out-of-policy pricing decisions. Primary focus was the ATM product line.

1976 - 79; Apartment Complex Manager; Gainesville Townhouse Company; Gainesville, Florida
1974 - 76; Math Teacher, Williston High School; Williston, Florida
1967 - 70; US Air Force, Strategic Air Command; Electronic Countermeasures; SB-52 Flying Status during Southeast Asia tour

EDUCATION: BS in Chemistry; University of Florida, 1974
MBA in Finance; University of Florida, 1979