



Major Differences between Magnetic Stripe & CardLogix Smart Cards

Magnetic Stripe

CardLogix Smart Cards

<p>Use a Bank – Pay Transaction fees – <i>(2-3% extra cost per transaction plus merchant account fees and report fees)</i></p>	<p>Become a bank – Collect and hold Money from your customers - No fees to pay.</p>
<p>Easily duplicated, old technology, Very low security, \$36 billion FRAUD USA 1999. (Nielsen Report)</p>	<p>Can not be duplicated – encrypted technology. 2 totally independent encrypted value fields, Triple DES encryption. Cards cannot be cloned. 2 totally independent, encrypted loyalty points fields</p>
<p>Fragile – Mag-Stripe easily damaged – if scratched or bent then card cannot be read. 7% 1st year failure rate on mag stripes – Visa <i>(Additional replacement cost)</i></p>	<p>Durable – 100,000+ card insertions meets ISO 7816-1, 2 ,3 standards, 100% electrically tested pre-loaded with customer data</p>
<p>Sensitive - Any Magnetic field such as motors, speaker magnets and even other mag cards in wallet can effect the ability of the card to be read. <i>(replacement cost)</i></p>	<p>Very secure, host based triple DES encryption. Not affected by magnetic fields. On-card security traps & Card password protected. Secure ticketing.</p>
<p>Leased Line - Each reader installation requires at least one dedicated leased data line to off premises server or dial up connection to validate <i>(extra cost)</i></p>	<p>No Leased Lines - Data is stored on card, no need to connect to transaction processor for “transaction approval” Secure user site ticketing</p>
<p>Time per transaction – Since each card needs to be validated at the host. At least 1 modem per location is needed <i>(time & cost)</i></p>	<p>No Dial out Time - Data is stored on card, no need to connect to transaction processor for “transaction approval”</p>
<p>Transaction fee charged each time card is used (V, MC, AMEX, DISC) <i>(2-3% extra cost per transaction)</i></p>	<p>No Transaction fees. Data is stored on card, no need to connect to processor for “transaction approval”</p>
<p>No Protection - No lost / stolen card protection</p>	<p>Protection - Built-in lost / stolen card protection</p>
<p>*Card cost Low Volume \$0.35 to High Volume \$0.75 (not fulfilled)</p>	<p>*Card cost Low Volume \$1.38, to High Volume \$0.99</p>
<p>Mag readers \$75-\$125.00 without display. Visa, MC magnetic stripe reader terminals \$275-\$450 ea.</p>	<p>Dual function smart card and magnetic stripe readers \$200. - \$257, Key chain style value checkers available.</p>
<p>Typically no functional card guarantees</p>	<p>One year, 100% replacement guarantee on cards for defects in manufacturing and workmanship.</p>
	<p>Use credit card or cash to re-load value into smart card locally -</p>