

## Media - Questions & Answers

### **About CheckMEND, General Information**

#### **What is CheckMEND?**

CheckMEND is a Web-based service that enables consumers and second hand trade to 'check' the legality and authenticity of second hand goods including cellular phones, laptops, iPods, personal computers, gaming consuls and cameras.

#### **Why would people use CheckMEND?**

There are two reasons why people should use CheckMEND:

1. As a buyer to check if the product you are about to buy is legal, genuine and does not have any history that would affect the use or the price paid for the item.
2. As a seller to reassure potential buyers that the product you intend to sell is legal, genuine and does not have any history that would affect the use or selling price of the item.

#### **What can CheckMEND tell you about a checked item?**

Within seconds, CheckMEND is able to tell the user if the item has had previous owners (a common fraud is to sell refurbished goods as new), is reported stolen or lost, has been subjected to an insurance claim and, in the case of cellular phones, whether the phone is barred or has had its identity altered.

#### **Why was CheckMEND created?**

Auction sites have a reputation as a place for criminals to unload stolen, diverted and counterfeit products. Stolen goods are so rampant that major law enforcement organizations are increasingly using such Web sites to catch criminals and retrieve stolen goods.

The service was developed in the UK in collaboration with law enforcement to address the impact on daily lives associated with the buying and selling of stolen goods via auction sites such as eBay.

#### **Who uses CheckMEND?**

The typical users of the service are consumers who buy and sell second hand goods on online auction and classified sites such as eBay and Craig's List. The system is also used extensively by pawn brokers and second hand dealers when buying and selling goods. The number of people buying and selling second hand goods is increasing as more people affected by the tightening economy venture online to buy second hand goods or supplement their income by disposing of unwanted products.

#### **How does CheckMEND work?**

The user can access CheckMEND via the Internet at [www.checkmend.com](http://www.checkmend.com). You can then check to see if a cellular phone or other item has been reported lost or stolen by entering a serial or identification number. Within seconds, CheckMEND is able to tell the user if the item is reported stolen and, in the case of cellular phones, if the phone is barred or has been reprogrammed. Items can be reported as stolen to CheckMEND via [www.immobilize.net](http://www.immobilize.net) which also hosts the world's largest possession ownership data with more than 20 million registered users worldwide.

### **How much does the service cost?**

An online search costs \$2.99, with advantageous pricing when multiple checks are made. When users opt to conduct several checks to validate more than one item, they benefit from the convenience of a single credit card transaction for no additional cost. For more information, visit [www.checkmend.com](http://www.checkmend.com). Those using the online system will receive a printable certificate of authenticity, a copy of which is held on the CheckMEND system.

### **How can you guarantee that CheckMEND is secure?**

Security is of the utmost importance to both CheckMEND and to the partners we engage. The system has been developed over the last six years, assuring the security and the legitimacy of the system. Due to the nature of the information on CheckMEND, there are no sensitive information concerns; the data contains no personal information.

### **How many items are on the CheckMEND database?**

CheckMEND has the largest worldwide database of information that is relevant to a US consumer when purchasing a second hand cellular phone, iPod, camera and laptop including:

- Over 100 million records in total
- 30 million records relating to stolen goods
- 11 million relating to disabled handsets
- Over 10 million insurance claims
- Over 20 million property ownership records
- Millions of counterfeit records
- Millions of lost records
- Millions of property identity records

The system is linked to law enforcement, and the databases of other key partners, including retailers and associations.

CheckMEND is acquiring data worldwide at over 150,000 items a week and is in negotiations with more data providers to continue adding to its US-specific data. These include law enforcement agencies, insurers and major trade organizations.

### **State of the Industry, Market Opportunity and Overview**

#### **What are the benefits for buyers and sellers of second hand goods?**

There are many benefits of using the system – you cannot put a price on peace of mind:

#### **For the Buyer:**

- Avoid the fall-out should the purchase prove to be stolen
- Prove you did all you could to check the item before purchase
- Protect your investment, and avoid paying top dollar for something that does not work as is, or is actually second hand rather than new.
- Protect against prosecution for handling/possessing stolen goods

**For the Seller:**

- Validate that items for sale are legitimate
- Use the validation and online certificate as a USP when selling
- Prove reliability as a reliable supplier of second hand goods
- Give customers and potential customers peace of mind about their transaction
- Potentially get a premium on the sale price, in some cases as much as 8 percent

**Are you the only company offering this service?**

CheckMEND is the most comprehensive service of its kind. There are complementary services out there such as trace.com and buysafe.com but the breadth and volume of information held by CheckMEND is the most comprehensive.

**Why should people use CheckMEND rather than the competition?**

There is no credible competition for this service, as the vast majority of the data is exclusive to CheckMEND.

**Financial Situation/Overview**

**What plans are in place for US growth?**

Judging by the success of the product in the UK, we hope US consumers and second hand trade will adopt the service and find it useful. We are projecting to be doing more than several million checks a month in the US within six months; with the right partners, the number of checks could easily double.

CheckMEND is currently in negotiations to access and use stolen property data from US law enforcement. We have an excellent record of working with partners to promote the service and are actively seeking major online auction sites, classified and social network market places to work with us to inform their users about the service. We are fortunate that, in the UK, eBay recommends the service to buyers of cell phones, and we hope they will do the same for their US members. We believe this service increases the buyer's confidence when buying second hand goods online and offers the seller a way to potentially increase the final sale price.

**What background or assurances are available relative to the company's stability and validity?**

CheckMEND has been in operation for over six years. We are the leaders in our market and have the endorsement of many leading organizations including all the police forces across the UK, the Metropolitan Police Force National Mobile Phone Crime Unit, The Mobile Industry Crime Action Forum, The GSMA, Transport for London, Ebay.co.uk, leading mobile phone service providers, the leading insurance companies, and top phone retailers such as the Carphone Warehouse.

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