



A Solution for the College Loan Debt Crisis in America

Whitepaper for Rowan University



The following whitepaper was prepared specifically for Dr. Ali Houshmand, President of Rowan University, at his request, for the purpose of clearly articulating the opportunity of the QuantumCash CollegeWorks USA Program as a viable solution to help remediate the college loan debt crisis in America.

Rowan University is, and was, authorized to use this whitepaper to describe this opportunity to prospective corporate sponsors for the CollegeWorks USA Program.

Respectfully submitted:

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CollegeWorks™ - A Solution for College Loan Debt

White Paper Presented to Rowan University

Introduction - The College Debt Crisis

College students in America are facing a debt crisis. After working hard to earn a degree in hopes of a vibrant future, many emerge from college with a burden of debt. On average, students carry a \$29,400 debt at graduation. For many, it is much greater. **Collectively, students and graduates owe more than \$1.4 Trillion for college loans. This is more than the total national balance of all credit card debt, and more than all auto loans nationwide.**

The rising total of federal and private student loans can be viewed at the **Student Debt Clock**:

<http://www.finaid.org/loans/studentloandebtclock.phtml>

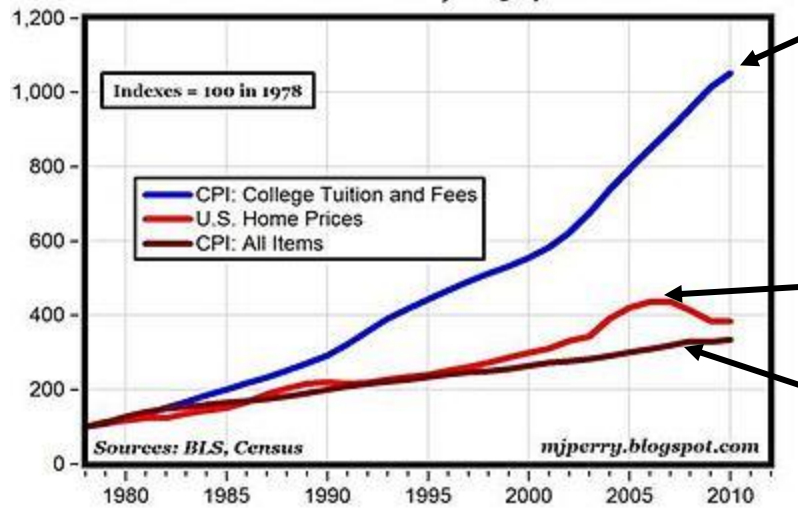
The Cause of College Loan Debt and a Solution

The primary cause of the soaring debt is the escalation of college tuition cost. Likewise, the contributing factor to rising tuitions is college loan funding. College tuition rates are not going to drop radically, and college loans will not disappear. The solution is not to eliminate college loans; it is to provide a viable way to pay them off. QuantumCash® has such a solution. It is called CollegeWorks®USA. It will empower students to help service and pay off their debts.

The key term is “**debt service.**” Through multiple focus groups held by the Company on the campus of Rowan University, the Company found that virtually none of the students had any understanding of the term “debt service.” The focus group leader then gave them the example of a real estate investment, wherein the rental income from the property is adequate to cover the carrying costs (including mortgage loan interest). In such a case, it can be said that the investment is “a good investment because the property covers its own debt service.” It was explained to the students that when they graduate, they will incur “debt service.” Their ability to cover their debt service will be determined by their job. So, in essence, the debt service of their student loans will drain necessary income from their paychecks, meaning from their household, thus causing them to defer important decisions like buying a home, or a new car, or even getting married.

Then, the concept of CollegeWorks USA was described to them. With their newly discovered understanding of debt service, most students realized that there will be a day of reckoning in their lives after they graduate, and that it would be wise to take action now to prevent that occurrence by generating a residual (on-going) source of income that would be sufficient to cover their personal “debt service.” Virtually all agreed.

CPI: College Tuition vs. U.S. Home Prices vs. CPI: All Items, 1978 to 2010



The chart above depicts the rate of escalation of college tuitions as compared to the rate of escalation of housing prices that precipitated the housing bubble, the national banking crisis and the subsequent recession. Many believe that college loan debt, which buoys college tuitions, has reached a crisis level, at more than \$1 Trillion.

Perhaps the most unfortunate result of college loan debt is the psychological burden that it creates for the graduate. It is reported that over 50% of students who graduate with debt do not believe that they will be able to pay it off.

Solution - A Practical Patented System that Can Work

There is a way to help solve this problem, and QuantumCash® has a solution to ***empower students to prepare for servicing their debt, beginning while they are still in school.***

QuantumCash, LLC is a financial technology and *CashFlow Rewards™* company that was *established to help people financially.* It seeks to do so by offering a secure, reloadable prepaid debit card and cell phone app ***with patented CashFlow Rewards features for consumers.*** As a *CashFlow Card,™* the QuantumCash® Card is designed to put money into your account rather than draining it out. It does so by using the revolutionary patented business model called Multiplied Rewards® that enables card members to earn cash from the spending of an entire “social universe” of card members, as opposed to being limited to their own spending as the basis for cash back. The Company is now developing a new rewards program called ***“Pay-It-Forward™ Rewards.”***

QuantumCash will be introducing its financial technology solution for college students through a program called CollegeWorks®USA. The positive consequences of this technology can be extraordinary. Imagine thousands of college students earning an extra \$100 to \$500, or more per month before they graduate. The **CashFlow Rewards** earned from CollegeWorks USA does not stop at graduation. It continues on, and it continues to grow. **It is possible that the income from CollegeWorks USA can be more than adequate to service the average college loan payment, even if the student has no other source of income.**

Here is a summary of why CollegeWorks®USA by QuantumCash is unique:

- QuantumCash® holds four domestic patents, and several international patents, on its **CashFlow Rewards™** system.
- The patented technology enables the Company to merge social media with financial transactions, using devices such as debit cards, smart phones, etc.) in a way that creates Multiplied Rewards.®
- **Multiplied Rewards®** is the process by which a card holder earns income from the shopping of an entire social “universe” of other cardholders. Multiplied Rewards are tabulated daily, and they are paid monthly.
- On a monthly basis, the student card member receives actual cash loaded onto their personal QuantumCash-branded Debit Card. The amount of cash is determined by the total volume and qualified spending by their entire social universe. The monthly total is what we call **CashFlow Rewards.™**
- **CashFlow Rewards** can amount to hundreds of dollars per month and can be used by the students and graduates to help reduce or eliminate their college loan debt.
- QuantumCash utilizes a **Merchant-Funded Rewards System** to fund the **CashFlow Rewards**. Traditional rewards cards rely on “interchange fees” and high interest charges to fund the rewards. QuantumCash utilizes a voluntary Merchant-Funded system that operates above and apart from the interchange system. Thus, QuantumCash has a much larger margin of funds from which to draw, and from which to pay **CashFlow Rewards**.

For more information and financial data, ask about our **“Where the Money Comes From” Video** to get a better understanding of the magnitude of Merchant-Funded Rewards.

Product Features

- The QuantumCash Card is approved to carry the **MasterCard** logo, and **can be used wherever MasterCard is accepted**, just like any other MasterCard.



- However, when Members shop at participating QuantumCash Merchants, the card members can earn Multiplied Rewards.

The incredible thing is that Members **do not have to shop with their QuantumCash Card in order to earn Multiplied Rewards**. They can actually continue to use their favorite bank card or credit card. Thus, Members can earn cash rewards from two sources: QuantumCash + their own rewards card. This makes QuantumCash appealing to banks, credit unions and even what would otherwise be competitive card issuers.

- **QuantumCash** has its own proprietary online shopping portal called **Earning Social.™** *Earning Social currently features over 2,000 merchants, including large national retailers, who offer Multiplied Rewards.*



- **CollegeWorks USA Phone App** – This is a high-tech communication tool for students to view their personal financial dashboard via their smart phones, or computers. They can see their earnings and the size of their universe.

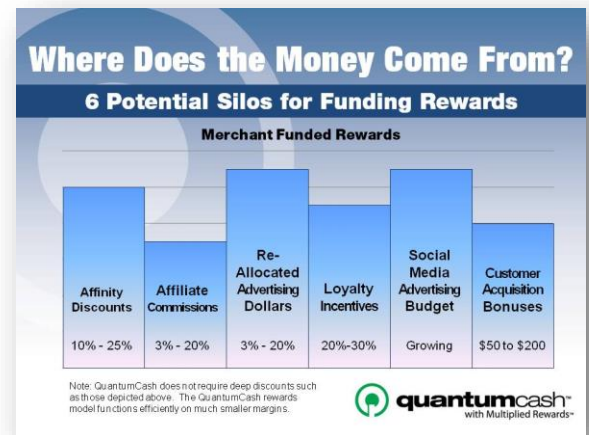
College Students are the heaviest users of digital media and social networking. When given the visual tool of the QC Phone App, we believe the viral growth of the program will be explosive.



- Powerful **Merchant-Funded Rewards Program** -

Unlike typical credit card programs, QuantumCash is NOT dependent solely upon credit card interchange or processing fees. QuantumCash has a unique **Merchant-Funded Rewards Program** that benefits the merchant in ways that no other rewards program can offer. Merchants can actually participate in the QuantumCash Rewards Program on the receiving end. Merchants can share the QuantumCash Earning opportunity with their customers, and earn cash when the Merchant's customers shop elsewhere.

As a result, the Merchant has the opportunity to earn **Off-Site Revenue™**. *This is only available through the QuantumCash Platform.*



The Financial Excellence Component, called **Financial Genius®**

- The Company intends to deliver an **Online Financial Literacy, Mastery & Excellence Course called Financial Genius®** for students as part of the CollegeWorks®USA Program, going beyond basic financial literacy to investment strategies for the long term.

Corporate Sponsorship & Partnership Opportunities

The Financial Genius® Program is a phenomenal opportunity for financial institutions of investment-based companies to earn the trust and loyalty of the Millennial Generation. There is no question that there is going to be the largest shift in wealth in history taking place as the Millennials inherit the wealth of their Baby-Boomer parents. Amazingly, most financially-oriented companies lack a way to reach this younger generation. This is why corporate sponsorship of CollegeWorks USA is so valuable, and why it will appeal to the smartest corporate executives.

The **Financial Literacy, Mastery & Excellence Course** is being proposed as a collaborative effort between QuantumCash and content-rich partners, to create a compelling new online course that is rolled out nationwide. The Company expects to allow Universities to sponsor the course by offering it to their students and graduates. The Company may also offer royalties on the course for distribution assistance provided to QuantumCash and CollegeWorks USA.

Benefit to Students, Parents, Businesses and Rowan University

- **Easy Invitation-Only Enrollment** – All card members are guided to enroll online through a simple secure process. QuantumCash Cards are promptly issued by one of the largest prepaid card issuing banks in the country. Each card bears the MasterCard emblem designating massive acceptance. (Note VISA and private label brands are available). Members will pay a small fee for the issuance of the Card, and the App with a full social-marketing and earning-measurement dashboard.
- **Access to Earning Social® Shopping Portal** – All members get access to the **Earning Social® Shopping Portal, featuring over 2,000 major retailers**. These are the online retailers who are seeking to compete online by “paying for sales.” They pay us, so that we can pay the students and other members. Merchants currently pay an average ranging from 3% to 18%.
- **CashFlow Rewards™** – As members, college students will benefit by being able to accumulate cash income that is loaded onto their card on a monthly basis, based on the size and qualified spending of their personal “Earning Social Universe.”
- **Reloadability** - The QuantumCash Card can be reloaded with additional cash by the student, parents or even grandparents, if desired. Regular funding by parents can help control spending which might otherwise get out of control with a credit card.
- **No Interest Charges or Late Fees** – Quantum Cash is the world’s first *CashFlow Debit Card*. It is not a credit card. There are no interest charges or late fees. QuantumCash serves almost like a portable bank account into which *CashFlow Rewards* are added.
- **Local Economic Engine** – The Card will benefit businesses by increasing customer loyalty and frequency of consumer spending, fueling the local retail economy. The Company is now moving to engage local retail merchants in its *CashFlow Rewards* Program.
- **Regional and National Economic Engine** – The QuantumCash CollegeWorks USA Program will be a job-creator in the region where it is initiated, as well as a national job-creator as the program grows nationally.
- **Philanthropic Vehicle** - The Card can also benefit Universities as a source for scholarship funds through their own foundations. One of the Company’s trade secrets specifically covers the use of the Card when it is used to support non-profit entities. QuantumCash is ideally positioned to generate royalties for a non-profit organization.
- **Alumni Relations and Development** - The QuantumCash Card can also be offered to College and University Alumni, which would financially benefit the University by enrolling loyal alumni supporters to “**Sponsor a Student**” to help them earn *CashFlow Rewards* while, at the same time, they are helping the university financially.

Card Marketing and Distribution

The QuantumCash Card will be marketed through social media, internet, direct mail and other methods, but primarily through word-of-mouth referrals by other card members. Merchants and retailers will also be able to offer the Card. Merchants earn from the spending of their social universe of customers, even when there spend at other businesses, or online.

Corporate Strategic Marketing Alliances

Strategic Marketing Alliances are a top priority for the Company. The Company is positioning one of its products as an employee benefit that can be given away by an employer as a valuable perk. Likewise, visionary corporate leaders may want to contract with QuantumCash to give away a private label card and App to ALL of their customers, both new and old.

QuantumCash's Conservative Forecast

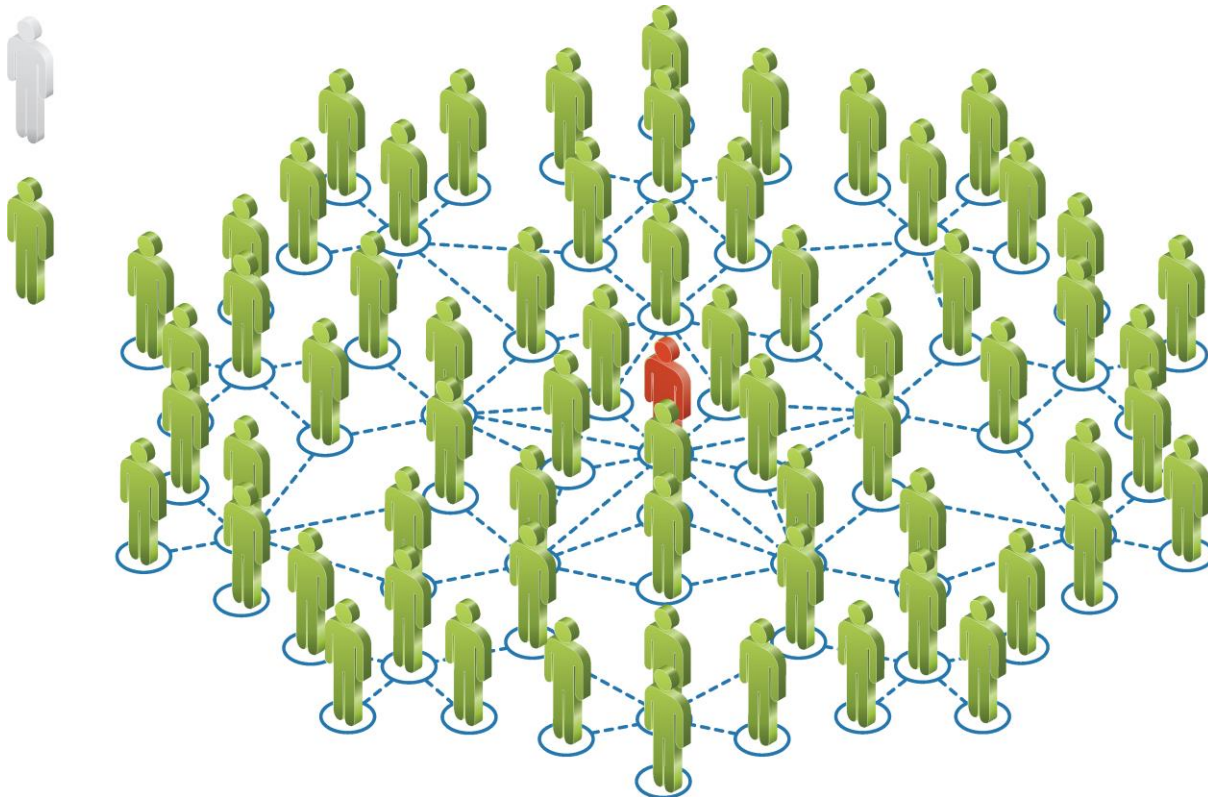
According to a study by The Pew Research Center's Internet & American Life Project, the average American has 634 ties in their overall network, and technology users have even bigger networks.

College students and Millennials are among the most socially active technology users.

QuantumCash, however, did not build its growth forecast based on each person making 400 or 600 personal referrals. Instead, QuantumCash made its forecast based upon each student making ONLY FOUR PERSONAL REFERRALS.

The Significance of the CollegeWorks USA Alliance Opportunity

- **Based on the conservative forecast described above, the overall card membership base grows to 8 million within three years.**
- **The total number of people in the US with college loan debt is 40,000,000.**
- **Each of those people knows at least 4 people, thus expanding this market to 160,000 million people. That is larger than any single bank-branded card in America.**



The Growth of the Earning Social Universe through CollegeWorks USA

The Concept of One-to-Many

Because college students are so connected digitally, QuantumCash believes CollegeWorks USA could experience meteoric growth. The QuantumCash model is patterned after Facebook and will be fueled by social media, including Facebook, Twitter and SnapChat.

The Internet of Things is Coming!

According to Deloitte University Press, one of the hottest topics in business today is known as the **Internet of Things (IoT)**. The IoT is already a large market and expected to expand rapidly in the coming years. There will be unprecedented growth that will be driven by low-power wide-area (LPWA) networks, and short range Bluetooth and WiFi connections.

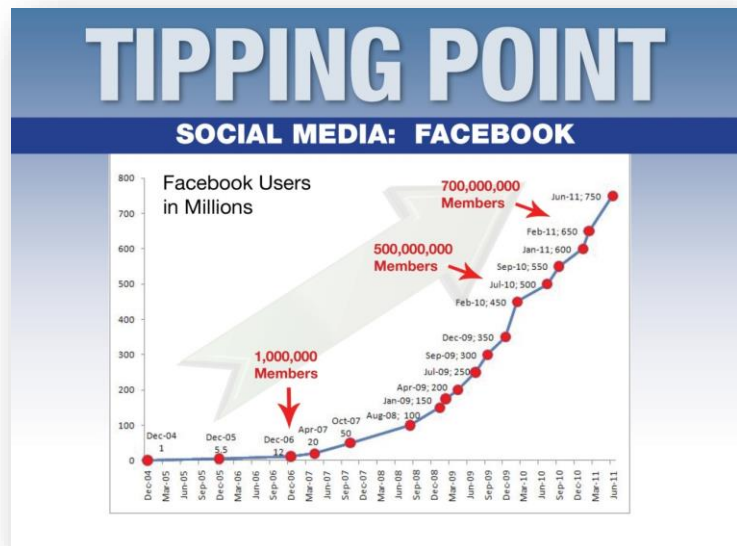


The global IoT market is projected to grow from about 4.9 million connected devices in 2015 to nearly 21 billion by 2020 .

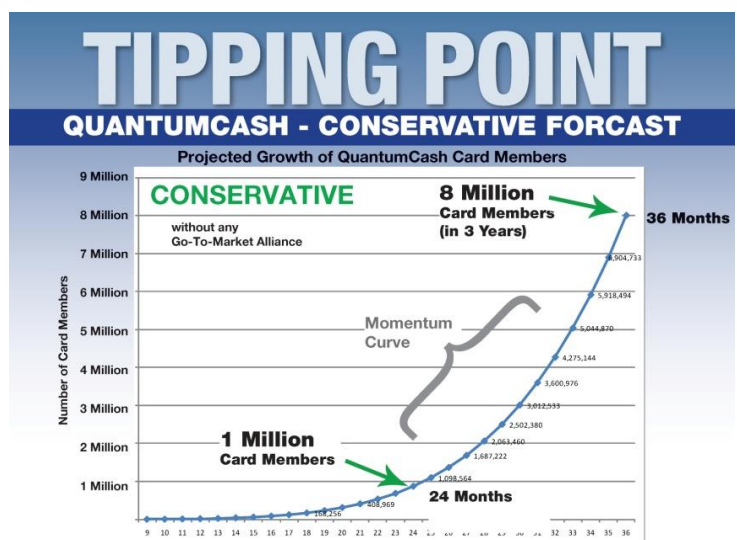
The Impact of Social Media on QuantumCash and CollegeWorks USA

Numbers like those are staggering, mainly because they are projections, However, history shows us precisely what happened when Facebook was introduced on a single college campus. As a result of the birth of social media, a new economy has emerged across America and around the world. Today, social networking has the ability to drive exponential growth faster than at any time in history. Here is why:

- Facebook grew from zero to 1 million members in one year.
- Facebook grew from 1 million to 500 million members in five years.
- LinkedIn has grown to more than 100 million members, with 1 million new members joining every week.
- Twitter achieved its 1 billionth tweet within 3 years and 2 months.
- YouTube served 12 billion video views in a single month.



Therefore, by card members themselves using Facebook, Twitter, LinkedIn, YouTube and other social networking channels, and basing the growth of the QuantumCash Card, with a personal referral ratio of 1:4, the Company expects CollegeWorks USA to reach 8 million members in 3 years.



What is Needed – Corporate Sponsorship and Marketing Alliances to form a Launch Partnership for the CollegeWorks USA Program

In order to jumpstart the process of generating **CashFlow Rewards** for college students, the Company is now seeking to secure a limited number of Program Sponsors, or Launch Partners.

Sponsors will be companies that seek to do the following:

1. Be part of a national movement to help alleviate the college loan debt crisis.
2. Gain favor with college students and graduates, meaning the entire Millennial market, that can translate into lifelong loyalty to the partnering company.
3. Gain favor with the general public and public officials as a result of **being part of the Solution to the College Debt Crisis.**

Each of six initial sponsors will be asked to contribute the following:

Phase I: \$100 per college student participant up to 10,000 students, for a total of \$1 million.

How the Sponsorship Funds Will Be Used

- The \$100 will be used to jumpstart CollegeWorks by paying for college students to join as CollegeWorks members and to provide a partial scholarship for the **Financial Literacy, Mastery & Excellence Course**, as follows:
 - Pay for \$19.97 program enrollment, set-up and card issuance fee
 - Cover approximately 6 months of a student's \$15/month purchase of the University's Online Financial Excellence Course.
 - This will create immediate **Cash Flow Rewards** and thus demonstrate social proof that the CollegeWorks Program does generate income for the students.

Requirements of Students

- Each student will sign a card member agreement, electronically online, along with policies that are mutually established by QuantumCash, its bank/issuer and the University. (For example, the sponsor may require that after graduation that a certain portion of *CashFlow Rewards* be applied directly to debt reduction). As an option, the sponsor can also supplement the students earnings in return for certain behavior.
- Each student will be required to make at least one purchase from a qualified participating QuantumCash/Earning Social merchant each month. This may include local merchants who are enrolled in the program.

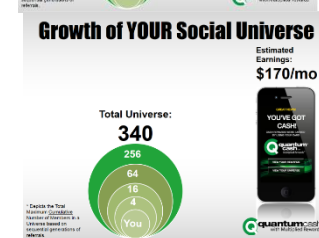
The Student Experience

- Students who enroll in the CollegeWorks Program will immediately begin to see their social universe growing via their cell phones, with earnings coming from the social media promotion that they are performing.
- By the end of six months, typical student should experience the following earning pattern: (NOTE: this is NOT a guarantee of earnings for any Member).

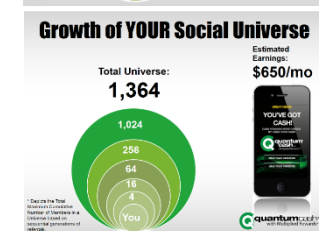
○ Month 1-2 Universe Size: 20
Earnings: \$10



○ Month 2-3 Universe Size: 340
Earnings: \$170



○ Month 3-5 Universe Size: 1,340
Earnings: \$ 650



○ Month 4-6 Universe Size: 5,460
Earnings: \$2,500



NOTE: Income forecasts are examples only and are not to be construed as a representation or guarantee of income. Earnings will vary based on factors such as referral activity and spending levels of others.

- When the student begins earning \$150 per month, or more, they will be required to pay their own online course subscription fee for ***The Financial Excellence Course***.



Benefits for Sponsors

Each Founding Sponsor gets direct placement of their brand logo in front of participating students on a consistent basis. **Every directly sponsored student will KNOW who their sponsor is:**

- **Sponsors get Brand Placement on the Financial Dashboard of Every Member** - Every Member (student, parent, friend, etc.) has their own Personal Online QuantumCash Financial Dashboard.
 - This dashboard is where they go to see how much money they have earned, and how large their personal social universe is. We believe that members will be checking this dashboard daily.
 - The Founding Sponsors and Launch Partners will be featured on the dashboard with a message such as this:

Your **CollegeWorks USA, QuantumCash Rewards** are in part attributable to the initiative of the following Founding Sponsors

[Sponsors' Logos across the dashboard]

- Another way that members will be able to access their QuantumCash earnings information is by receiving notifications of their smart phone – when **“You’ve Got Cash!”**® appears.
- Each notification can be brought to you by (sponsor’s name).
- The Company will deploy a strategy that provides an advertising credit for the founding sponsors.
- For example, if there are six Founding Sponsors, every time that a **“You’ve Got Cash!”** message goes out, 1 of the 6 Founding Sponsors will be given credit for this message. The message might read:
 - **“You’ve Got Cash!” QuantumCash!**
 - These Cash Rewards brought to you in part by (sponsors name).
 - Click to View Your Rewards



The long-term value of such positive brand exposure is significant. Consumers who are receiving cash, will view the Sponsors in a positive light, thus creating a bond of consumer

loyalty that might otherwise never exist. By helping the college student solve one of their most significant problems, **the Sponsor will have earned long term favor with that individual.**

We truly believe that the Launch Partners & Sponsors of the QuantumCash CollegeWorks USA Program will reap a windfall return in the form of positive PR, and extreme customer loyalty.

Financial Forecast Summary and Evaluation

QuantumCash has prepared detailed financial analyses that show the forecast of growth, start-up costs, uses of funds, cash flows and profitability of the Company. The Company's business plan and model was studied by a San Diego-based independent financial consulting firm called Capital Window. The result of the Capital Window study was a 17-page dynamic interactive financial model that was used to forecast the growth and value of the Company. The information in the Capital Window study is available for review by prospective investors with Company executives, but is not distributed.

Also, two separate state governments have expressed interest in having the Company locate there, one of which is New Jersey. The Company has had discussions with state officials in both states regarding substantial grant funds for job creation. These discussions were pursuant to the State of Connecticut's First Five Program. A copy of the Connecticut submission is available for review. The Company elected not to pursue the Connecticut funding program without a well-established partner in the state.

Additional Benefits for a Launch Sponsor

- Rowan could be featured with a large mass media and communications company as the first in the nation to roll out this program to benefit college students and graduates, helping to eliminate college loan debt, which is now viewed as a national problem.
- Rowan could benefit from extraordinary positive national public relations exposure as a "Founding Sponsor" of CollegeWorks USA, or the "Launch Sponsor," along with other corporate sponsors.
- CollegeWorks USA can create meaningful Co-op Educational opportunities with the Sponsor for students, thus reinforcing the Sponsor's brand even further among Millennials.
- National adoption of the program could earn the Sponsor "royalties" on tens of thousands of cards, and potentially millions of cards, depending on the level of involvement by the Sponsor. It is also possible that royalties can be paid to a designated non-profit in the name of the Sponsor.

Conclusion

As Dr. Jeff Hand, Head of Strategic Enrollment at Rowan University, stated several times in our meetings on campus, “First in wins,” meaning that Rowan wanted to participate early in the process because of the program’s potential to help Rowan students overcome their college loan debts. Rowan President, Dr. Ali Houshmand, recognized the enormous potential for CollegeWorks USA to fund 529 College Education Savings Accounts for families across the country. CollegeWorks USA is thankful for Dr. Ali Houshmand who invited CollegeWorks USA Co-Founder, Monica Amadio, to testify before the Governor’s Commission on College Affordability.

We believe that the QuantumCash CollegeWorks USA Program can be a victory of uncommon proportions for any CollegeWorks USA Launch Partner.

Larry Masi, President & CEO

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QuantumCash is a Benefit Company

QuantumCash is a Benefit Company. Approximately 13 states have enabling legislation to permit the formation of benefit Companies, which are **a hybrid between a non-profit and a for-profit corporation**. Unlike a traditional for-profit corporation, QuantumCash is permitted to give away an unlimited amount of cash, without restriction. Instead of being inwardly focused on its own growth, QuantumCash will be outwardly focused on helping people. QuantumCash will seek to help population segments, such as College students and graduates that need help the most, while boosting the economy and the image of all of its strategic partners.