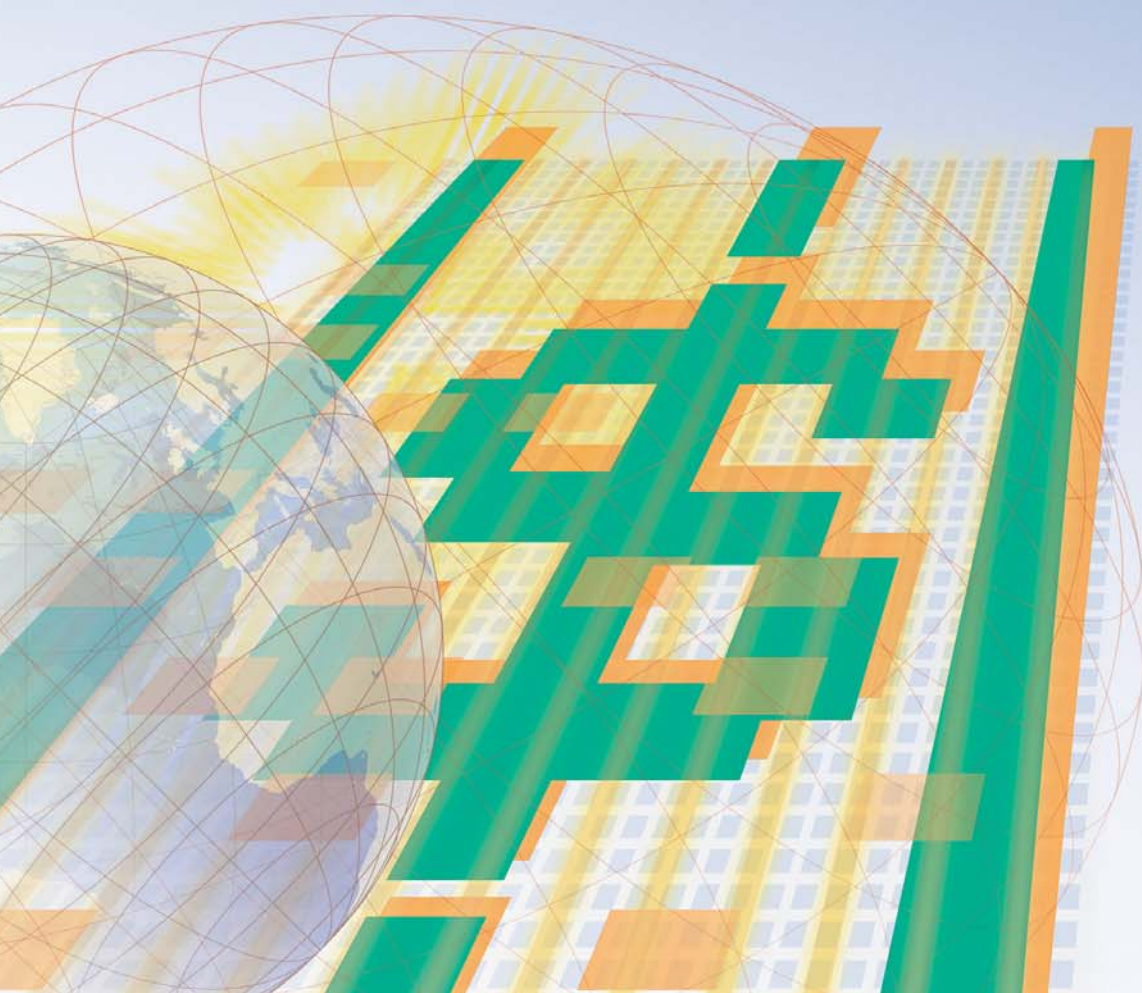


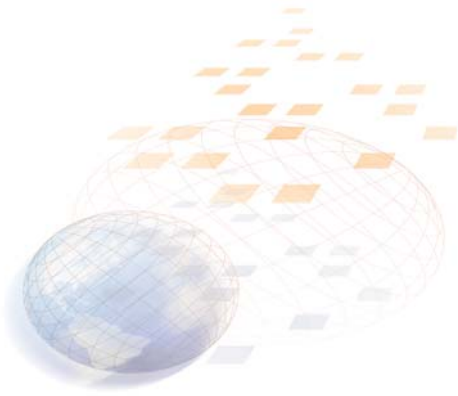
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# Investing in Payment Innovations: Risks and Rewards

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2006 PAYMENTS CONFERENCE  
MAY 11—12, 2006  
FEDERAL RESERVE BANK OF CHICAGO





## INVITATION FROM THE PRESIDENT

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I am pleased to invite you to our 2006 Payments Conference entitled *Investing in Payment Innovations: Risks and Rewards*. The conference will be held at the Federal Reserve Bank of Chicago on May 11–12, 2006. The conference's primary objective is to identify and discuss potential opportunities and challenges to developing and adopting more efficient payment mechanisms.

Along with the transition from paper to electronic payment mechanisms, new technologies continue to be introduced to the payments marketplace. However, uncertainty remains regarding which technologies will achieve widespread adoption and which participants will bear the cost. Furthermore, the development of adequate safeguards against unauthorized access to, or illegal use of, financial accounts is crucial for engendering the confidence and trust of all payment system participants. How to balance risks and rewards in making payments investment and adoption decisions — is the focus of this conference.

The conference will explore the following questions:

- What are key features of successful payment investment strategies?
- How important are end-user benefits to induce the adoption of new payment technologies?
- How should payment system participants position themselves to meet global security challenges?

The conference will allow participants to interact with both payments industry innovators and researchers. By the end of the conference, participants should have a better understanding of the forces shaping investments in, and adoption of, new payment applications. The format will be interactive, with ample time for questions and discussions. An evening reception on May 11 will provide an informal opportunity to meet with other participants. The audience will consist of 150–175 payments executives from corporations, financial institutions, merchants, payment networks and processors, solutions providers, venture capital firms, along with academics and central bankers.

I hope you will attend what promises to be a timely opportunity to interact with payments experts and participants on these important issues. I look forward to seeing you in May.

Michael H. Moskow  
President and Chief Executive Officer  
Federal Reserve Bank of Chicago



## THURSDAY

8:30 - 10:15 **Registration and Continental Breakfast**

10:15 - 10:30 **Introduction and Welcome**

Michael H. Moskow, President and Chief Executive Officer,  
*Federal Reserve Bank of Chicago*

10:30 - 11:00 **Investing in Payment Innovations: A Federal Reserve Perspective**

Donald L. Kohn, Governor, *Board of Governors of the Federal Reserve System*

11:00 - 12:30 **Confronting Security Threats**

**Moderator:** William A. Barouski, Senior Vice President,  
*Federal Reserve Bank of Chicago*

Mikko H. Hypponen, Chief Research Officer, *F-Secure Corporation*

Daniel J. Larkin, Chief, Internet Crime Complaint Center,  
*Federal Bureau of Investigation*

Rick Siebenaler, Principal, *Deloitte and Touche USA, LLP*

John Stewart, Vice President and Chief Security Officer,  
*Cisco Systems, Inc.*

- What are the most important near-term security threats?
- How should firms develop effective strategies for mitigating them?
- Is the movement from proprietary to open systems making payment systems too vulnerable?

12:30 - 2:00 **Luncheon**

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**11**  
2006



## THURSDAY

2:00 - 3:30

### **Emerging Technologies at the Point-of-Sale**

**Moderator:** Tony Hayes, Vice President, *Dove Consulting Group, Inc.*  
Diane Offereins, Executive Vice President and Chief Technology Officer,  
*Discover Financial Services, LLC*  
Scott Rau, Senior Vice President, *JPMorgan Chase & Co.*  
Gary Charboneau, Executive Vice President, *Duane Reade, Inc.*  
Martha Smith, Senior Director, *McDonald's Corporation*

- What factors influence your choice of technologies to promote?
- How do you persuade your customers to adopt new payment instruments?
- Do you see the point-of-sale environment dominated by a single technology in the future?

3:30 - 4:00

### **Break**

4:00 - 5:30

### **Prepaid Card Applications**

**Moderator:** Gary Palmer, Chief Operating Officer,  
*eFunds Prepaid Solutions*  
Talbot Roche, Senior Vice President, *Blackhawk Marketing, Inc.*  
Robert C. Gross, Chief Executive Officer, *Blue Healthcare Bank*  
Jack Sipes, Cash Manager, *American Red Cross*  
Andrew Crowe, Vice President, *MasterCard International*

- What end-user benefits do prepaid cards offer versus existing payment methods?
- What factors did you consider when deciding to offer prepaid cards?
- How does the legal and regulatory landscape affect the prepaid card marketplace?

5:30 - 5:45

### **Day One Summary**

Richard D. Porter, Senior Policy Advisor and Vice President,  
*Federal Reserve Bank of Chicago*

5:45 - 7:00

### **Reception**

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## FRIDAY

7:45 - 8:45

### Continental Breakfast

8:45 - 9:15

### Introduction

Charles L. Evans, Senior Vice President and  
Director of Research, *Federal Reserve Bank of Chicago*

### Investing in Payment Innovations: An Industry Perspective

Anil D. Aggarwal, Chief Executive Officer, *Prepaid Media, Inc.*

9:15 - 10:45

### Investment Strategies

**Moderator:** David Hochstim, Senior Analyst, Equity Research,  
*Bear, Stearns & Co.*

W. Thomas Smith Jr., Founder and Managing Director,  
*Total Technology Ventures, LLC*

Eric Dunn, General Partner, *Cardinal Venture Capital*

Patrick C. Foy, President, Bank Servicing & ePayments Group, *Fiserv, Inc.*

Mark SB Tiggas, Senior Systems Architect, Enterprise Payment Strategies  
Architecture Group, *Wells Fargo Bank & Co.*

- What are the key characteristics of a successful payment technology?
- At what point in the product cycle do you typically invest?
- What kind of payment investments offer the most value?

10:45 - 11:00

### Break

11:00 - 12:45

### Cross-Border Payments

**Moderator:** Daniela Russo, Deputy Director General of Payment  
System and Market Infrastructure, *European Central Bank*

Joan Rosas, Director of International Development, *la Caixa*

George Zinn, Vice President and Treasurer, *Microsoft Corporation*

Eileen Dignen, Managing Director, Global Payments, *Citigroup, Inc.*

Emery Kobar, Policy Advisor, *U.S. Department of the Treasury*

- What are the challenges and opportunities with international payment flows?
- What forces are shaping the cross-border payments infrastructure?
- Are regulatory compliance costs affecting the provision and pricing of cross-border payment services?

12:45 - 1:00

### Closing Remarks

Sujit Chakravorti, Senior Economist, *Federal Reserve Bank of Chicago*

1:00 - 2:00

### Luncheon



## CONFERENCE REGISTRATION

Mr.    Ms.    Dr. (Please Print)

\_\_\_\_\_  
First Name                      M.I.                      Last Name

\_\_\_\_\_  
Title

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Area of Responsibility

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Company

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Zip/Postal Code    Country

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Area Code    Phone Number, Ext.

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Email Address

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Fax Number

### Type of Organization

- Financial Institution     Corporation  
 Vendor                       Third-Party  
 Academic                      Processor  
 Government                       Central Bank  
 Venture Capital  
 Other

Please indicate where you heard of this conference

- Save the date postcard  
 On the Chicago Fed's website  
 Colleague  
 Other

### Attendance

Please check if you plan to attend:

Thursday, May 11

Breakfast    Lunch    Reception

Friday, May 12

Breakfast    Lunch

If you have special needs during the conference, including dietary considerations, please specify your needs below and we will do our best to accommodate you.

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### Registration

Fax this form to 312-322-6003, or visit [www.chicagofed.org/paymentsystems](http://www.chicagofed.org/paymentsystems)

Payment must accompany registration.

- Visa                                       MasterCard  
 American Express

\_\_\_\_\_  
Credit Card Number

\_\_\_\_\_  
Name of Credit Card Holder

\_\_\_\_\_  
Expiration Date

### For more information please contact:

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Return Service Requested