



# Kardia Business Software

PROPOSAL FOR DAVID LAYMAN



## INTRODUCTION

Thank you for your interest in our Kardia software. Our goal is to make Kardia the last business operations software you will ever need to purchase.

Kardia is the Greek word for 'heart'. It represents both our intent to make Kardia the heart of any business software system as well as our own desire to improve the way small business operates.

We believe in the American Dream and that dream is so closely aligned with the ability for small businesses to be successful. This is often hampered by available resources. Small businesses do not have the resources that large businesses do. In areas such as legal, accounting, and information technology, small businesses generally have to hire consultants or outside firms to assist them. Specifically with respect to information technology, this is not getting any simpler but vastly more complex. Rather than hampering small businesses, Kardia represents a technology platform that will expand as technology expands. As part of your Kardia software solution, we also include a Kardia Advisor who seeks to become your trusted source not only in solving today's problems, but in assisting you with future opportunities that can improve your business's success.

We hope the proposal below will meet and exceed your expectations and we look forward to putting the Kardia solution to work for you.

## KARDIA TECHNOLOGY

We could speak for hours on our Configurable Software Technology (of CST for short), but we will try to summarize it as it is very important to understand why Kardia is different than other business software.

Forged from years of working with a vast range of small businesses, CST is the fruit of that experience. Business operations can vary widely from company to company, even between two companies in the same industry. How then can one software package truly meet the needs of even two drastically different organizations?

The basic concept is not so different from that of a common web browser, like Firefox, Chrome or Internet Explorer. When you point a web browser to Google.com, for example, your screen will render with the familiar prompt that allows you to search the internet. Click on one of the links in your search, and the browser will now render the page that you linked to. The Google home page and the page you linked to will look very different, but yet it is the same browser in both situations.

In a similar fashion, Kardia is an ‘application browser’. By defining the application in a database that we call a ‘configuration’, Kardia points to that configuration and renders it on the user’s PC. Change the configuration and Kardia can render a completely different application. With Kardia, every customer can have their own unique configuration, yet the Kardia software does not change.

This is the basic idea behind CST. It is what allows us to keep making Kardia better and better across a wide range of customers and industries without breaking the ‘configurations’ of each of our clients – a serious problem known as ‘version lock’ that can cripple any ‘custom software’. With Kardia, you can configure it just the way you want and not worry about getting tied to an old version that will eventually become obsolete. That is how we can fulfill our goal to make Kardia the last business operations software you ever purchase.

## FUNCTIONS – COIN/COLLECTIBLES DEALER CONFIGURATION

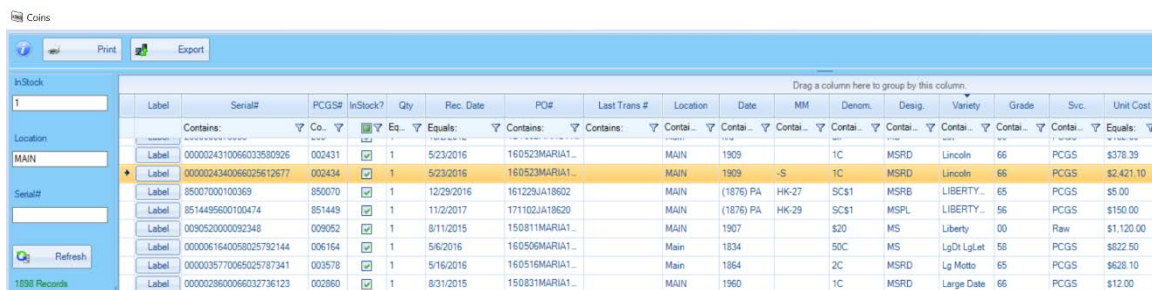
For this proposal, Kardia will be installed with our ‘Coins’ configuration. Features of this configuration are as follows:

- Maintain inventory of coins including current location, cost, insurance value, and links to PCGS information.
- View coin inventory; perform ad hoc functions to filter, sort, group and export to Excel
- Receive coins (raw, slabbed, bulk) into your inventory
- Ship/invoice coins out of inventory
- Send coins to grading service (PCGS, NGC, CAC). Track fees per coin.
- Receive coins back from grading service (updates serial# and grade)
- Send coins out for evaluation/approval
- Convert evaluations to invoices or return to inventory
- Track split deals
- View profitability reports
- Integrate sales and purchases with QuickBooks (desktop)
  - o QuickBooks OnLine integration option for additional charge
- Push coins to eBay (TBD on functionality and charge)

The details of each of these is discussed below with screenshots where appropriate.

Maintain inventory of coins including current location, cost, insurance value, and links to PCGS information.

View coin inventory and perform ad hoc functions to filter, sort, group and export to Excel

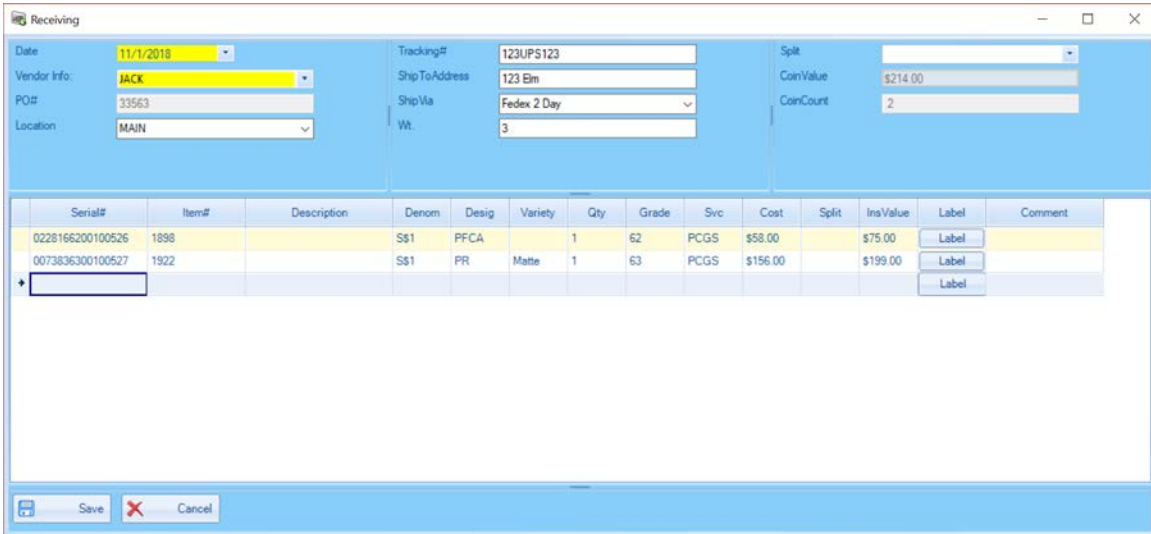


Label	Serial#	PCGS#	InStock?	Qty	Rec. Date	PC#	Last Trans #	Location	Date	MM	Denom.	Desig.	Variety	Grade	Svc.	Unit Cost
Label	0000024310066033880926	002431	<input checked="" type="checkbox"/>	1	5/23/2016	160523MARIAT...		MAIN	1909		1C	MSRD	Lincoln	66	PCGS	\$378.39
Label	0000024340066025612677	002434	<input checked="" type="checkbox"/>	1	5/23/2016	160523MARIAT...		MAIN	1909	-S	1C	MSRD	Lincoln	66	PCGS	\$2,421.10
Label	85007000100369	850070	<input checked="" type="checkbox"/>	1	12/29/2016	161229JA18602		MAIN	(1876) PA	HK-27	SC\$1	MSRB	LIBERTY...	65	PCGS	\$5.00
Label	8514495600100474	851449	<input checked="" type="checkbox"/>	1	11/2/2017	171102JA18620		MAIN	(1876) PA	HK-29	SC\$1	MSPL	LIBERTY...	56	PCGS	\$150.00
Label	0090520000092348	009052	<input checked="" type="checkbox"/>	1	8/11/2015	150811MARIAT...		MAIN	1907		\$20	MS	Liberty	00	Raw	\$1,120.00
Label	0000061640058025792144	006164	<input checked="" type="checkbox"/>	1	5/6/2016	160506MARIAT...		Main	1834		50C	MS	Lg/Dt Lg/Let	58	PCGS	\$822.50
Label	0000039570065025787341	003978	<input checked="" type="checkbox"/>	1	5/16/2016	160516MARIAT...		Main	1864		2C	MSRD	Lg Motto	65	PCGS	\$628.10
Label	0000028600066032736123	002860	<input checked="" type="checkbox"/>	1	8/31/2015	150831MARIAT...		MAIN	1960		1C	MSRD	Large Date	66	PCGS	\$12.00

The coins form above is where users will probably spend the most time. It provides a spreadsheet like view of all coins now in inventory or ever in inventory. This form is sortable just by clicking on the column header of the field you wish to sort by. You can easily filter on any column as well by using the filter box (right underneath the column header). Looking for a 1922 coin? Type ‘1922’ in the ‘Date’ filter and the records will automatically filter to reflect it. Filters can be combined. The ‘Export’ button allows a quick way to push the filtered, sorted data to Excel for further manipulation as desired. The label button allows for printing of a barcode label (with Zebra printer connected).

Summation row at bottom of form shows total cost and value of inventory based upon filtered criteria.

Receive coins (raw, slabbed, bulk) into your inventory



Serial#	Item#	Description	Denom	Desig	Variety	Qty	Grade	Svc	Cost	Split	Ins Value	Label	Comment
0228166200100526	1898		SS1	PFCA		1	62	PCGS	\$58.00		\$75.00	Label	
0073836300100527	1922		SS1	PR	Matte	1	63	PCGS	\$156.00		\$199.00	Label	

The receiving screen is where coins are entered into inventory. You start by selecting the vendor from the drop down (screens are included for setting up customers and vendors). You can record tracking numbers and split codes (split codes can also be entered per coin). Then you begin entering the various coins, one row per coin (except bulk coins which can have one entry for a quantity of similar coins not tracked via individual barcodes).

If coins are barcoded, you can scan and they will utilize the built in PCGS coin information to determine denomination, designation, and variety. If coins are not barcoded or if it is a coin number not currently known, you can provide this information so that it will be picked up the next time a similar coin is entered. You can provide a comment and print a label for each item being received. Upon 'Save', the information is added to inventory and can be viewed via the Coins form.

Ship/invoice coins out of inventory

Order: JACK

OrderDate	11/1/2018	ShipCompany	NOJACK	Email	
SONumber	33564	ShipAddress1	123 Elm St	PONumber	
Customer#	JACK	ShipAddress2	#403	Terms	COD
BillCompany	NOJACK	ShipCity	Leavenworth	ShipVia	Fedex 2 Day
BillAddress1	123 Elm St	ShipState	KS	Tracking#	
BillAddress2	#403	ShipZip	98126	Weight	
BillCity	Leavenworth	Buyer	Jack Jackson	CoinValue	150
BillState	KS	BuyerPhone		CoinCount	2
BillZip	98126				

Serial#	Item#	Description	MintDate	Grade	Denom	Value	Qty	Price
00060761100369	000607		1789	61	Token	\$56.00	1	\$75.00
0000022350991031...	002235		1909	91	1C	\$50.00	1	\$75.00
→								

Save Cancel

Invoicing coins is greatly simplified when using barcodes. Put the coins together to be invoiced, open the order transaction form. Select the customer then start scanning the coins. As you go, the form provides coin count and total value being sent. When saving, an invoice can print or it can be emailed to the customer. Coins are flagged as no longer in inventory though their information remains for historical and reporting purposes.

Send coins to grading service (PCGS, NGC, CAC). Track fees per coin.

Grade: [Window Title]

Date	11/1/2018	User	JAY	RetInsurance	\$0.00
Service	PCGS	Company	Global Numismatics	Tracking#	FX11000
Type	Grading	Address	PO Box 8048	SubNumber	100528
Level	Regular 15 Days	Cust#	676	ShipVia	Fedex 2 Day
ServiceFee	\$25.00	Phone	800-346-2721	Wt.	3
RetMethod	RegMail	Email	info@coins.com	CoinValue	\$1,577.50
RetAccount		City	Gold City	CoinCount	3
PayMethod	CHECK	Zip	92658	Invoices Left	2626
PayRef		State	CA	SubmissionNumber	

Serial#	Qty	Item#	Description	MintDate	Grade	Denom	Desig	Variety	Value
0002365400200486	1	000236		1766	54	1/2 P	MSBN	Pitt	\$2.50
00060761100369	1	000607		1789	61	Token	MS	Mott-Thn...	\$75.00
0000020160992080...	1	002016		1857	92	1C	MS	Fly Eagle	\$1,500.00
▶									

Save Cancel

Sending coins to grading is greatly simplified when using barcodes. Put the coins together to be graded, open the grading transaction form. Select the service and the type of grading then begin scanning in the coins. As you go, the form provides coin count and total value being sent. Printed report can be output multiple copies and is accepted by the major grading services.

Receive coins back from grading service (updates serial# and grade)

GradeReturn: 774374

Date	11/1/2018	User	JAY	Tracking#	FX11000
Submission#	774374	Company	Global Numismatics	ShipVia	Fedex 2 Day
Service	PCGS	Address	PO Box 8048	Wt.	3
Type	Grading	Cust#	676	RetInsurance	\$0.00
Level	Regular 15 Days	Phone	800-346-2721		
RetMethod	RegMail	Email	info@coins.com		
RetAccount		City	Gold City		
PayMethod	CHECK	Zip	92658		
PayRef		State	CA		

Description	Date/MM	Denom	Desig	Variety	Split	OrgGrade	OrgSerial#	NewSerial#	NewGrade	GdSvc
	1766	1/2 P	MSBN	Pitt		54	0002365400200486			PCGS
	1789	Token	MS	Mott-Thr...		61	00060761100369			PCGS
	1857	1C	MS	Fly Eagle		92	0000020160992080			PCGS

Save Cancel

When a submission is submitted, it prints out the documents with a submission number assigned. When coins are returned, simply enter the submission number and the coins will appear in the grid on the Grade Return form. Simply scan the new serial numbers associated with the former (and confirm the new grade) then save. Kardia maintains a complete coin history through multiple trips to and from grading so a complete history can be viewed.



Send coins out for evaluation/approval



**Moves**

Date: 11/1/2018  
 Customer: JACK  
 Transaction Type: Evaluation  
 Transaction#: [Empty]

Tracking#: USPS12331  
 Ship To Address: 123 ELM ST  
 Ship Via: Express Mail USPS  
 Wt.: 3

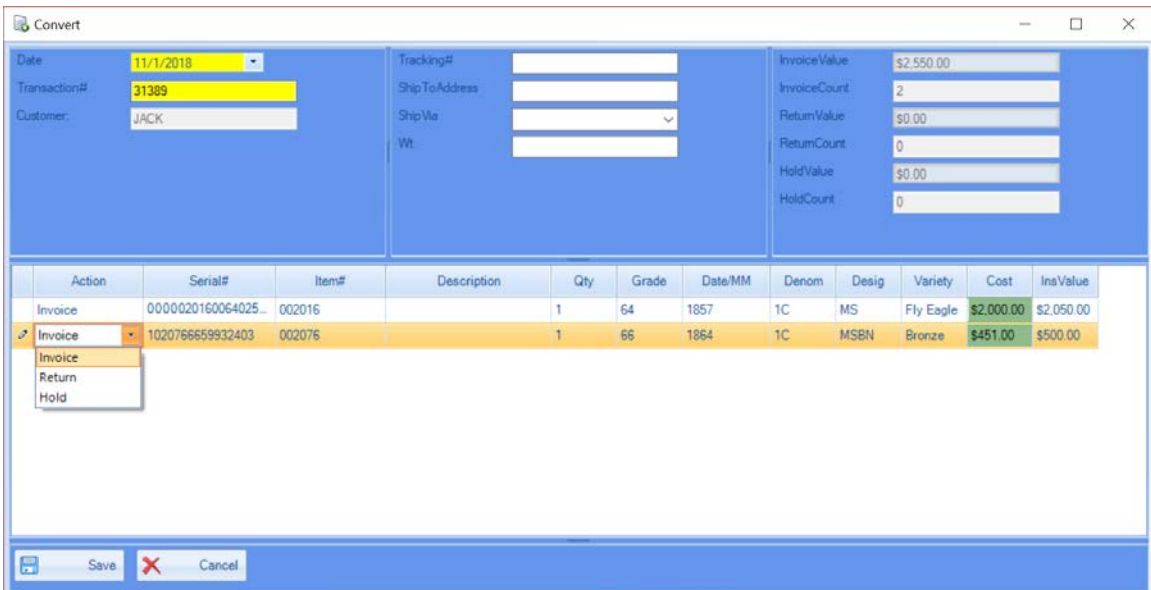
Coin Value: 0  
 Coin Count: 0

Serial#	Item#	Description	Qty	Grade	Date/MM	Denom	Desig	Variety	Cost	InsValue
0000020160064025...	002016		1	64	1857	1C	MS	Fly Eagle	\$2,000.00	\$2,050.00
1020766659932403	002076		1	66	1864	1C	MSBN	Bronze	\$451.00	\$500.00

Buttons: Save, Cancel

Sending coins out for approval is greatly simplified when using barcodes. Put the coins together to be sent, open the moves transaction form. Select the customer from the drop down and then begin scanning in the coins. As you go, the form provides coin count and total value being sent. A 'Moves' report can print when saved. Coin locations are automatically updated in inventory.

Convert evaluations to invoices or return to inventory



**Convert**

Date: 11/1/2018  
 Transaction#: 31389  
 Customer: JACK

Tracking#: [Empty]  
 Ship To Address: [Empty]  
 Ship Via: [Empty]  
 Wt.: [Empty]

Invoice Value: \$2,550.00  
 Invoice Count: 2  
 Return Value: \$0.00  
 Return Count: 0  
 Hold Value: \$0.00  
 Hold Count: 0

Action	Serial#	Item#	Description	Qty	Grade	Date/MM	Denom	Desig	Variety	Cost	InsValue
Invoice	0000020160064025...	002016		1	64	1857	1C	MS	Fly Eagle	\$2,000.00	\$2,050.00
Invoice	1020766659932403	002076		1	66	1864	1C	MSBN	Bronze	\$451.00	\$500.00

Dropdown menu for Action: Invoice, Return, Hold

Buttons: Save, Cancel

When coins are sent on approval, a transaction number is assigned. To return the coins (or a portion thereof), open the convert form. Once you type in the transaction number, the coins on that transaction will show in the list. For each coin, you can specify whether to return it, keep it out on approval (hold), or invoice it. When saving, the transaction logic looks at each coin and handles it appropriately. If invoicing is involved, all invoiced coins will appear on one invoice and that invoice can automatically print upon saving.

#### Track split deals

See the receiving form where a split can be selected to apply to the entire receipt or for just specific coins in the receipt. The code can even be different for each coin. The split column on the Coins form then shows the split in place for that coin. Reports showing split amount owed, pending, and historical are provided in a separate report.

#### View profitability reports

The profitability report uses the same type of format as the Coins form above. You can sort, filter, and export as needed and summary rows provide totals for revenue, cost, and profit.

#### Integrate sales and purchases with QuickBooks (desktop)

- o QuickBooks OnLine integration option for additional charge

QBO integration has been done for other customers and is a bit more involved than the typical desktop integration. Depending on the details of the integration requirements, this is probably about a 4-8 hour configuration charge. Also bear in mind that QBO requires a refresh of security credentials. This is automated but is a function the customer must perform every six months that is not necessary on the desktop version.

#### Push coins to eBay (TBD on functionality and charge)

This will likely be added at no additional charge so long as the API is fairly common. We have integrated with a number of third party applications and services and given the size and pervasiveness of eBay, would expect their API to be well documented.

## SUPPORT OPTIONS

Kardia represents a great leap forward in business operations software. We believe that nothing short of ‘great’ would suffice in terms of on-going support options as well. Our Kardia Care program is unlike any traditional software support program and we believe you will realize its value as time goes on. However, we also provide a ‘no fees’ perpetual license if that better suits you. These two options are known as ‘Just in Time Care’ and ‘Kardia Care’ and are summarized below:

**Just in Time Care:** If the Kardia you purchased today will meet all your needs going forward for as far as you can see, you can continue to use it indefinitely without further charges or fees. If you do need our support at some point in the future, we will be here to provide that. But bear in mind, this support program will incur the highest hourly rates (currently \$195 per hour or fraction thereof). As well, this option does not include any updates to Kardia, so any great features we add to the program over time will not be incorporated and it may require additional fees to update your configuration and Kardia version should that be desired in the future. This option may make sense for some, but we believe most companies will prefer the Kardia Care option below. But good news! You don’t have to decide until you have been using Kardia for the first full year.

**Kardia Care:** Support programs are usually reactionary. They kick in when a problem occurs. With Kardia Care, you get all of the typical support, but you also get a proactive approach to keeping your Kardia system ‘fit’. It is similar to personal health. Standard support is like having health insurance so that you have access to a doctor or a hospital when needed. But with Kardia Care, it is akin to having a personal trainer working with you routinely to keep you in the best shape so doctor and hospital visits are far less likely.

Kardia Care includes typical support features such as:

- Free phone and/or remote access support
  - o Resolving data issues caused by normal use of the product
  - o Resolving any bugs that might arise
- Free upgrades
  - o Includes bug fixes, product enhancements, new features
- Access to additional configuration work at our lowest rate (currently \$135 per hour)

Kardia Care also includes the following at no extra charge:

- Business Review: at least once a year, your Kardia Advisor will sit down with owners and key managers to review high level goals. This allows us to be on top of any trends or challenges so that we can best anticipate future needs. It also allows us to convey our expertise on any areas that may be of interest to you.
- Updates: we will take this opportunity to make sure you are running the latest version of Kardia and alert users as to new features.
- User Review: as part of the Kardia Care visit, we cycle through Kardia users to make sure they are aware of features and function to streamline their job. This is also where we often hear great ideas that can be incorporated into future updates.
- Minor Configuration Adjustments: sometimes it is something small that can make a big difference. While on-site, the Karda Advisor may be able to make minor configuration adjustments.
- Backup Check: your system may be being backed up, but what assurance to you have that backups can be restored and will work as expected? At least once a year, we will provide a back-up check to make sure your backup plan works as expected.

## PRICING

The functions outlined above will be installed on one SQL Server\* and up to 3 client workstations. Pricing is as follows:

Qty	Item	Description	Price	Ext. Amount
1	Kardia	Year 1 license, up to 3 workstations	\$6000	\$6000
1	ZebraZD-410	Desktop Zebra barcode label printer w/ 1 case of removable adhesive labels, installed	\$495	-
1	Config	eBay integration, up to 16 hours	\$0	\$0
1	KardiaWS	Additional workstation license/install	\$600	-

The initial license will include two four-hour site visits. The first visit includes installation of the SQL Server, installation of data and configuration databases, and installation of the Kardia client on up to three workstations. This visit will also include a basic walk-thru of the application. The second site visit will provide for four hours of configuration modifications, including crystal reports components. Additional configuration work can be quoted at the rate of \$135/hr and will remain valid for the initial year.

Included with the first year is free phone support and upgrades.

At the end of the first year, customer can opt for Kardia Care support as follows:

Qty	Item	Description	Price	Ext. Amount
1	Kardia Care	1 year of Kardia Care support	\$1500	\$1500

Kardia Care support is subject to change. Customer can lock in the rate by purchasing in advance (up to 2 additional years).

*\*SQL Server is software provided by Microsoft Corporation and is required to operate Kardia. SQL Server comes in many versions. For 1-3 users, you can make do with the Express version of SQL Server which Input Automation can provide and install at no charge. For 3+ users, it is highly recommended that you purchase the SQL Server Standard version. Input Automation can assist in sourcing this product but it represents an additional cost if not already owned.*