

## **Understanding CAN-DE Fund**

# **CELL PHONE SALES SYSTEMS**

## **BACKGROUND**

This invention relates to providing a system for recruitment and management of new subscribers of cellular telephone services. More particularly this invention relates to providing a system by which independent dealers can more competitively offer cellular telephone services subscriptions, broaden the group of consumers which can become subscribers and reduce the risk of loss from early subscription cancellations.

Today, many independent dealers market and sell cellular telephone services to the general public. In general, they operate on a commission basis through either a cellular telephone services distributor or directly with a cellular telephone services provider, such as Cingular, Verizon or T-Mobile. Often these providers work directly with large independent dealers, including national retailers such as Wal-Mart, while small independent dealers contract with one or more cellular telephone services distributors. These distributors act as middle men managing networks of small independent dealers on behalf of the cellular telephone services providers. These management services include providing cellular equipment inventory to independent dealers in their networks as well as managing the details of commission payments to the dealers. Independent dealers in turn work directly with consumers to sell new subscriptions, upgrade existing subscriptions and assist in resolving various problems encountered by subscribers. Providers set credit score requirements, subscription plans and commission structures with which the independent dealers must comply.

Typically, a consumer with a credit score that meets the requirements of the provider will be provided a cellular telephone and instant activation with little or no further effort. However, a consumer that has a credit score below the provider's requirements will either be turned away or be required to pay a large deposit in advance, even though they may be easily able to pay the monthly charges. Second, most providers require a minimum subscription contract length of two years to qualify for a free, or reduced cost, cellular telephone. The result of these requirements significantly limits the number of people who can subscribe to cellular telephone services. By some estimates as much as 45% of the potential market for cellular telephone services is excluded by the credit score requirements or the long subscription contract periods. Third, independent dealers generally have little flexibility in dealing with consumers who do not meet

the credit requirements or do not want a long contract term. Finally, independent dealers are subjected to changing credit requirements of the cellular telephone services providers with little or no input or warning, which can cause significant swings in revenue of the independent dealer.

The primary source of revenue for most independent dealers is commissions on activations of new cellular telephone services subscriptions. Additionally, providers pay commissions for subscription plan upgrades and various other services sold by the independent dealers on their behalf. A major difficulty for independent dealers is commission charge backs which are netted against commissions for new subscriptions. Commissions charge backs are created when a subscription is in default for non-payment or when a consumer terminates a subscription within the commission charge back period (usually the first 120 days of the subscription period). In some cases, an independent dealer may actually owe money to the cellular telephone services provider because of charge backs. It is clear these situations can create major financial difficulties for small independent dealers including the loss of credit with which to purchase inventory which in turn limits their ability to sell cellular telephone services to new customers.

As can be seen, independent dealers, especially smaller ones which work through distributors, have little influence with the providers. On the other hand, large dealers and retailers, which often contract directly with providers, are in a position to negotiate special marketing programs and arrangements not available to dealers that work through distributors. As an example, marketing programs offering instant rebates are used by the larger dealers and retailers while the small dealers may only offer mail-in rebates. These "special arrangements" often put the smaller dealers at a significant competitive disadvantage vis-a-vis the larger dealers.

Therefore, it is highly desirable to provide systems for providing a method by which independent dealers can more competitively offer cellular telephone services subscriptions, broaden the group of consumers which can become subscribers and reduce the risk of loss from early subscription cancellations.

## **OBJECTS AND FEATURES OF THE INVENTION**

A primary object and feature of the present invention is to provide a system to permit independent dealers to offer cellular telephone services to the broadest possible group of consumers.

It is a further primary object and feature of the present invention to provide such a system which permits independent dealers to reserve funds to offset the risks of early cancellation of cellular telephone services by consumers and related commissions charge backs by providers.

It is another primary object and feature of the present invention to provide such a system which provides methods that permit independent dealers to be more competitive with large dealers.

It is yet another primary object and feature of the present invention to provide such a system that permits independent dealers to market and promote subscription options not currently available.

Furthermore, it is a primary object and feature of the present invention to provide such a system that provides a method for measuring independent dealer sales and customer management performance.

It is a further object and feature of the present invention to provide such a system to improve customer service to encourage customer loyalty.

A further primary object and feature of the present invention is to provide such a system that promotes improved relationships between independent dealers and providers. Other objects and features of this invention will become apparent with reference to the following descriptions.

## **ABSTRACT**

The cell phone sales system provides a system for recruitment and management of new subscribers of cellular telephone services. It also provides a system by which independent cellular services dealers can more competitively offer cellular telephone services subscriptions, broaden the group of consumers which can become subscribers, improve customer service, and encourage customer loyalty. Finally, it provides methods for reducing the risk of loss from early subscription cancellations and permits measuring independent dealer sales and customer management performance.

THE  
CAN – DE  
FUND  
(CANcellations AND DEposits)

## **I. What currently exists:**

### **1) Contract credit requirements**

\* Customers are scored based on a credit check which will determine the number of phone lines he is eligible for with zero deposit and/or with a deposit (in the event credit does not meet requirements).

\* Carriers can increase and/or decrease requirements at will.

\* Indirect dealers have no role in these changes.

\* When a carrier lowers its credit requirements a dealer acquires a higher level of “high risk” customers which in turn leads to a higher percentage of charge backs to the dealer. When the charge backs supercede the commissions it places the dealer in a deficit for the month. The dealer is then penalized by the carrier by no longer providing them with credit for inventory and have no liquid assets until their account is caught up. This puts many small businesses in danger of going out of business.

### **2) Deposits**

\* Indirect dealers must activate only persons that are not required to pay a deposit unless the customer agrees to pay this collateral in the event the account goes delinquent in any way. The latter is highly unlikely even though the deposit is returned to the customer after successfully completing one year of service. This greatly limits the market.

\* Customers who do not have a social security numbers (extremely common in border cities such as El Paso where that customer comprises upward of 45% of our overall customer) are automatically charged a \$600 deposit regardless of credit or income.

### **3) Cancellations**

\* In the event there is a cancellation or the account goes delinquent anytime within 120 days, the money originally obtained by the dealer as commission gets “charged back”, therefore large losses by the dealer may be incurred if too many high risk customers are obtained.

\*Just about all carriers, with the exception of the very limited “Crickets”, require a one to two year contract. This long term commitment, coupled with a penalty fee that ranges anywhere to from \$150 - \$250 upon early cancellation, is yet another obstacle that deters potential customers.

#### **4) General challenges**

\* Changes within the business due to merges, for example, are extremely slow. Although national ad and TV campaigns are immediate there is no consistency with what the customer sees on TV and what he may see within dealer locations, hurting the dealers business and creating confusion for the customer. This process can take anywhere up to a year in large part to the slow appropriation of funds to dealers from the carriers to create the change.

\* Reps. advertise free activations which in actuality the customer is paying up front and later getting reimbursed this takes weeks and sometimes months causing frustration and a feeling of misrepresentation to the customer.

\* Currently Co-op dollars, or dollars (ranging from \$10-\$35) that are granted to dealers based on activations for the sole purpose of advertising, are paid 60 to 90 days after a substantial amount of paperwork has been completed and filed by the dealer based on proof of performance through invoices, provided there were no mistakes in the advertising in which case the carrier will not pay.

\* Advertised mail in rebates that are used to lure customers to stores can take anywhere from 8-10 weeks sometimes even longer for the customer to receive once the customer has filled out and mailed in the required paperwork provided there are no mistakes in the paperwork or it was not lost in the mail.

\* Porting a mobile number from one company to another keeping the same phone number for the customer is usually the case when the customer is not satisfied with their current carrier. This still binds them by contract and still charges the customer a penalty fee ranging from \$150-\$250 even though they are dissatisfied with their service.

## II. What could be:

### **The CAN-DE fund**

(CANcellations and DEposits)

**1) The Concept will allow the indirect dealer to reach a larger market and increase overall number of activations while minimizing potential loss, achieving a seamless currently unmatched level of customer satisfaction and creating customer loyalty.**

\* Separate a standardized small dollar amount (I.e. \$20-\$25) from the commissions from each activation creating a “pot” or “reserve”.

\* Once the Can-De fund is established it can be accessed by the dealer/owner via an account number and pin drawing from the account in order to complete specific customer transactions facilitating activation and enhancing the overall customer store experience that currently does not exist in any cellular phone market.

\* The use of the fund would be based on meeting specific criteria by the customer. The dealer would assess the information based on training he/she must complete in order to understand how to correctly appropriate funds. Risk lies with the dealer so appropriate training is imperative. The service would not be extended to customers who were previously delinquent on their accounts or failed to pay at all.

\* There could be a nominal fee (i.e. 25 cents) for every transaction processed by the dealer for the customer, in relation to the Can-De fund, creating extra revenue for the carriers. This also increases the incentive for carriers to support the Can-De fund.

\* It is a win-win situation benefiting customers who would otherwise not be able to activate a cellular phone and increasing the dealers customer base.

\* The Can-De fund is compounding. It increases itself annually with the consistent expansion of the customer base when the practice is used effectively.

\* Every transaction that is needed to be processed between dealer and customer can be made possible with the Can-De fund.

\* A dealer can also make deposits into the Can-De fund on his own if he wishes. There would be some that may want to “cash out” since the fund belongs to the dealer but the system is created and put in place to expand business and increase activations. Therefore, there will be a timeframe put in place after a dealer has retired the business in order to access the Can-De fund. This also provides incentive for dealers to stay in business and creating continues revenue for carriers.

\* Any money deposited into the Can-De fund by the carrier or distributor is for the immediate benefit of the consumer as well as the long term benefit of the dealer being that the money is in an account owned by the dealer.

\* For customers who activate through the use of the Can-De fund there would be the stipulation that should that customer become delinquent, he would incur all of the responsibility for all charges (I.e. original deposit \$500, Commission \$280 and cost of phone \$120). All customers would be educated of this process prior to starting the agreement.

## **2) Deposits:**

\* Once a customer has met the criteria / it has been established by the dealer that a customer qualifies for the benefit of using the Can-De fund, the customer that would currently be required to pay a deposit up front would not have to. The dealer would pay for the customers deposit from the Can-De fund and at time in which the customer would normally receive their returned deposit, it would be credited back into the Can-De fund eliminating that obstacle for the customer. This includes the customer that does not have a social security number but meets all the other requirements.

\* Deposits may not have to be withdrawn once a carriers is made aware of a balance available in the Can-De fund that can be accessed if need be.

\* With the Can-De fund a small business has the ability to stay in business longer minimally keeping them afloat by being able to access the fund in order to guarantee payment from customers to the carriers therefore avoiding being penalized and again providing customers with unsurpassed service.

### **3) Cancellations:**

\* Customers would be free of contracts and have “no early cancellation fees”. The customer would be eligible for free early cancellation on the 121st day after the initial activation of their phone. This is after the dealers charge back period so if the customer is not entirely happy or satisfied with the service or can no longer afford their service, they may cancel their service at our expense. This also raises the bar for dealers to maintain exceptional customer engagement and service.

### **4) Potential Benefits:**

\* Dealers may utilize the Can-De fund to make changes within the location when changes are needed I.e. mergers with carriers, to create seamless service, later being reimbursed by the carrier and crediting it back to the Can-De fund.

\* In addition, dealers may charge a one time processing fee (I.e. \$25-\$50) to customers for some of these extra Can-De fund benefits (I.e. no deposit), creating additional revenue for the dealer.

\* Phones may be discounted during the November/December holidays (which currently comprises approximately 40% of the annual business) and limited time special promotions can be run and increase sales during these time periods by supplementing the cost by the Can-De fund at a benefit to the customer, creating a larger customer base, more income and creating a “virtuous” cycle.

\* The Can-De fund could supplement customers who at present time, would like to “post-date” a check to pay their bill that needs immediate posting, and avoid the customers interruption in service. The post dated check would then be credited back into the Can-De fund. Credit card companies currently charge fees ranging from \$5-\$15 for this service. Dealers may choose to implement a similar system. This would be offered based on the customers payment history and the dealers discretion.

\* A dealer can advertise Free Activations, take the initial payment from the Can-De fund and get reimbursed by the carrier depositing the money back into the Can-De fund.

\* Co-op dollars can be deposited to the Can-De fund and used to broaden the customer base as well as the advertising.

\* Customers could instantly be refunded for rebates through the Can-De fund and the rebate once processed by the carrier would be re-deposited into the fund.

\* Customers who are not offered the full deposit payment through the Can-De fund can be offered the option of making payments either on their bill or at the store locations reimbursing the Can-De fund that took care of the initial payment for the customer.

\* Most customers that are attempting to port from one company to another are willing to trade carriers even if they are still on contract if the dealer is willing to help them with some sort of incentive or price reduction for doing so through them. The Can-De fund can easily provide this benefit for the company as an investment for the dealer into this customers loyalty.

## **CAN-DE Fund Operation**

The CAN-DE Fund Operational Flow diagram provides a visual representation of the transactional flow between consumers, dealers, distributors and cellular services carriers that can be implemented when the CAN-DE Fund is used.

First, the dealer will establish a jointly managed CAN-DE Fund account to help manage commissions charge backs and to provide funds for improving customer service, improving customer satisfaction and direct advertising and marketing. The CAN-DE Fund account is primarily funded by depositing a pre-determined portion of the commissions earned by the dealer into the CAN-De Fund, as part of an agreement between the dealer and the distributor and the cellular services carrier. Preferably, by agreement the dealer, the cellular services carrier and the distributor will all have access to the accumulated funds for various purposes described below. Alternatively, considering such issues as, cellular services carrier requirements, changes in policies and the competitive nature of the cellular telephone industry, the CAN-DE Fund account may be established solely with a cellular services carrier or solely, with a distributor. Usage of the CAN-DE Fund account permits the accumulation of funds to cover commission charge backs which stabilizes the cash flow and therefore reduces risks for the dealer. The dealer may also use any excess accumulated funds in the CAN-DE Fund account for direct marketing purposes which provides the opportunity to expand the number of consumers who can qualify for a cellular services agreement through a variety of means including providing all or part of a required deposit for a potential customer who has an inadequate credit score. The accumulated funds in the CAN-DE Fund account will increase as the dealer selects quality consumers for the various direct marketing programs which in turn also results in increased sales. If the dealer does not carefully manage the use of the direct marketing methods funded by the CAN-DE Fund account the accumulated value will decline. As a result, the balance in the CAN-DE Fund account will provide a good indicator of the management skill of a dealer to their distributor and cellular services carrier.

In a common scenario, the consumer selects a cellular handset and completes a service agreement with the assistance of the dealer. The dealer will then obtain credit information about the consumer and, if the consumer is qualified a cellular telephone is service plan is activated and a cellular telephone provided to the consumer. On the other hand, if the consumer does not meet the credit qualifications they may be asked to provide a significant deposit which is taken as security for possible non-payment. Additionally,

## **CAN-DE Fund Operation**

non-U.S. citizens cannot qualify because they do not have a social security number are also required to provide a security deposit. Often, this security deposit amount is large and becomes a significant deterrent to completing the sale. The dealer may offer to “guarantee the required deposit amount” on behalf of the consumer in order to close the sale, if the dealer evaluates the consumer as being creditworthy, even though not qualified by the standards of the cellular services carrier.

From time-to-time the cellular services carriers offers incentives, such as handset upgrade rebates, general rebates or activation fee waivers. As with most rebates the consumer is required to pay the full amount, then complete and submit the rebate request in order to get their money back usually six-to-eight weeks in the future. Again, this can be a deterrent to completing the sale, because the consumer is not to be reimbursed for six to eight weeks or may not be reimbursed at all if they make an error. Additionally, the inability to offer “instant rebates” puts the dealer at a disadvantage with the dealer/retailer which often offers the rebates as “instant” because of their special relationship with the cellular services carrier. If the CAN-DE Fund is in place, the dealer would be permitted to offer “instant rebates” in order to close the sale.

Frequently, the consumer is unwilling to agree to a service agreement of two years due to their financial uncertainty and the high early termination fees they would incur should they be required to relinquish the service. Today, the dealer has no means for mitigating this problem. If the CAN-DE Fund is in place, the dealer has the flexibility to offer to guarantee payment of all or a portion of the early termination fee to any consumer who is deemed financially capable of continuing the service agreement. With the use of the CAN-DE fund, the selected consumer agrees to reimburse the dealer for all costs and losses if the service agreement is terminated during the commission charge back period in return for a guarantee to pay the early termination fee if the service agreement is cancelled after the commission charge back period. This would permit the dealer to sell cellular services to consumers who would not otherwise be interested. Additionally, the dealer’s income stream is increased and becomes more stable due to increased sales and a reduction in the number of cancellations within the commission charge back period.

In other cases, the consumer may be hesitant to switch to a cellular services carrier represented by the dealer because of the early termination penalties. Again, today the dealer has little flexibility to offer

## **CAN-DE Fund Operation**

any offsets to these charges and therefore the opportunity to sell a new service agreement is limited. If the CAN-DE Fund is in place, the dealer has the option to offer a “no cost transfer” to a particular consumer in order to close the sale.

Additionally, the consumer may wish to re-activate their service agreement after termination or suspension for non-payment. Also, the consumer may seek assistance from the dealer if they are fearful of defaulting on a payment. Without the CAN-DE Fund the dealer has little flexibility to offer any assistance in these situations and therefore the opportunity to sell a new service agreement is limited. If the dealer considers it appropriate, the dealer may offer payment assistance to selected consumers as an incentive to avoid default or to re-activate a service agreement.

Once the service agreement is approved and signed the dealer forwards the activation along with any other required documentation regarding instant rebates, deposit guarantees and/or termination fee guarantees to cellular services carrier.

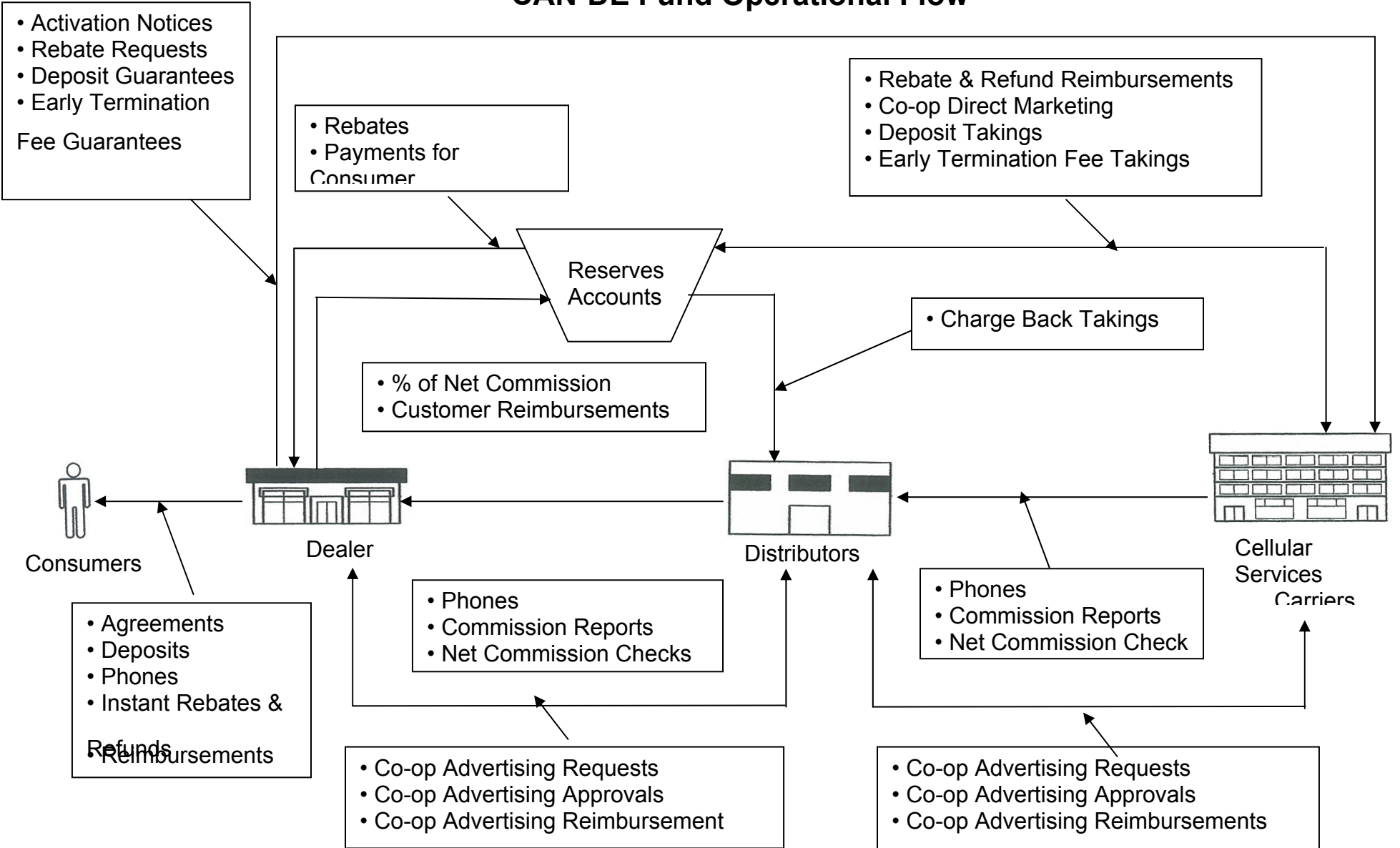
Each month, the cellular services carrier calculates commissions earned on sales and commission charge backs for early cancellations and provides a commissions report to the distributor. On turn, the distributor prepares a commission report of commissions earned and commission charge backs for each dealer which are then netted against each other to calculate net commissions. Usually, net commissions earned are then offset against any balances owed by the dealer to distributor for inventory purchases. If the net commissions earned are greater than inventory purchases a check is issued to the dealer by the distributor. If the total of net commissions earned is less than inventory purchases no check is issued which can be a financial risk to the dealer. With the CAN-DE Fund in place the dealer has completed an agreement with the cellular services carrier and the distributor to take commission charge backs from the CAN-DE Fund account. Use of the CAN-DE Fund account for commission charge backs, without consideration of the direct marketing program benefits, can significantly reduce the financial risks to the dealer associated with situations when commission charge backs exceed commissions earned.

Today, dealers may obtain monetary assistance with advertising and marketing through “co-op” advertising programs sponsored by cellular services carriers. As part of the process the dealer prepares an advertising item, such as a billboard, and requests approval for reimbursement from their distributor. In turn, the distributor obtains approval from the appropriate cellular services carrier. After approvals by the

## **CAN-DE Fund Operation**

distributor and the cellular services carrier the dealer places the advertising and requests reimbursement from the cellular services carrier through the distributor. Generally, this process is cumbersome and puts the dealer at risk if the approval request of the reimbursement is not received in time. If the CAN-DE Fund is in the cellular services carrier may choose to agree to provide a particular amount of “co-op” funds to be deposited in the CAN-DE Fund account for the dealer’s use in direct marketing programs, such as “Instant Rebates” thus making effective use of the earmarked “co-op” funds for increasing sales without the cumbersome processes in place for traditional “co-op” advertising programs. Preferably, allocation of some “co-op” funds for direct marketing programs would not be in addition to the traditional “co-op” advertising programs.

# CAN-DE Fund Operational Flow



Proprietary & Confidential

Patents Pending

## Benefits to The CAN-De Fund

1. Divorced individuals going through a tough period in their life who are smart enough to understand what we would be doing for them and who know the importance of complying with their services.
2. The CAN-De Fund can provide part or all of the required deposit for additional lines; for example, consumers whose credit scores only qualify them for 2 phone lines may be able to have part or all of their deposit paid via the CAN-De Fund if they want a 3<sup>rd</sup> or 4<sup>th</sup> line rather than seeking another carrier or having to wait months before qualifying through existing carriers.
3. Customers could instantly be refunded for rebates through the CAN-De Fund and the rebate once processed by the carrier or manufacturer would be re-deposited into the fund.
4. Customers who are not offered the full deposit payment through the CAN-De Fund can be offered the option of making payments either on their bill or at the store locations reimbursing the CAN-De Fund that took care of the initial payment for the customer-one good example are Mexican nationals without a social security.
5. The CAN-De Fund could supplement customers who at present time would like to “post-date” a check to pay their bill that needs immediate posting and avoid the customers interruption in service. The postdated check would then be credited back into the CAN-De Fund. Credit card companies currently charge fees ranging from \$5-\$15 for this service. Dealers may choose to implement a similar system. This would be offered based on the customers payment history and the dealers discretion.
6. Co-op dollars can be directly deposited to the CAN-De Fund and used to broaden the customer base as well as the advertising.
7. Advertised FREE activations could be credited instantly through the CAN-De Fund.
8. Most customers that are attempting to port from one company to another are willing to trade carriers even if they are still on contract, if the dealer is willing to help them with some sort of incentive or price reduction for doing so through them. The CAN-De Fund can easily provide this benefit for the company as an investment for the dealer into this customers’ loyalty. For example if that customer is porting 2 numbers a dealer can pay for 1 of its penalties with the CAN-De Fund and still profit from the other activation.
9. New college students who have worked since the age of 16. They have a savings and a checking account, but no established credit. They are responsible and always get good grades.
10. Customers that are with other carriers for example Sprint and have completed a contract successfully but are not happy and want to switch to T-Mobile. Since they qualified with Sprint who has lower credit requirements, but still does not qualify for T-Mobile. These customers already understand the importance of having a cell phone and the responsibility of its billing, so I would definitely approve some of these customers with the CAN-De Fund.

11. Pre-paid customers that have been buying pre-paid cards and who frequent my store coming to me for years I would trust to use the CAN-De Fund.
12. Retirees with a fixed income and good credit history who cannot afford the deposit and/or are wary of signing and committing to an annual contract.
13. Measuring tool - a system that provides a method for measuring independent dealer sales and customer management performance.
14. This form of practice of doing business is more personal and more ideal for your small dealers this allows a more personable relationship.
15. For dealers who deposit a small portion of each of their activations, benefit compounds with time. The CAN-De Fund would not be an immediate benefit but it would be a gradual work towards something solid that has structure for a dealers' future.
16. Phones may be discounted during the November/December holidays (which currently comprises approximately 40% of the annual business) and limited time special promotions can be run and increase sales during these time periods by supplementing the cost by the CAN-De Fund at a benefit to the customer, creating a larger customer base, more income and creating a "virtuous" cycle.
17. This manner of targeting unreachable customers is better than having a carrier lower credit requirements at any given point.
18. The criteria are subjective and based upon need and circumstance.
19. Every transaction that it needs to be processed between dealer and customer can be made possible with the CAN-De Fund.
20. With the CAN-De Fund a small business has the ability to stay in business longer minimally keeping them afloat by being able to access the fund in order to guarantee payment from customers to the carriers therefore avoiding being penalized and again providing customers with unsurpassed service.



June 14<sup>th</sup> 2005

To Whom It May Concern:

I am writing this letter of recommendation in favor of Roberto Reyes, Owner of Kings Telephone's and Paging. I know him personally thru business and know for a fact that he is a hardworking and honest individual. He has been in the same store location for over 14 years, which makes him very knowledgeable in the communications industry.

As the manager for T-Mobile USA for the El Paso region, have had first hand knowledge of what we call in the industry charge backs. These are contracts that do not follow all of the conditions. At this point we go back to the individual retail store so that they can pay back the commission earned on that contract. Mr. Reyes has an Average Churn Rate of around 2.3%, which is one of the best in the region. In addition his scores in the customer service excellence program is also one of the best and he has been acknowledged for several awards. These are some of the reasons I am in support of some of his ideas.

He is trying to develop a new and innovative concept called the "CAN-DE FUND". This program can change the way things are done in the wireless industry. This program will allow more customers to sign up for service with a given carrier. I am trying to help him implement certain parts of this program because I believe it can help many people.

Please contact me at 915-630-1500 with any questions.

Sincerely

A handwritten signature in black ink, appearing to read 'Lawrence Garcia', written over a horizontal line.

**Lawrence Garcia**

*Indirect Sales Manager- El Paso Texas*

PCS: (915) 630-1500  
OFFICE: (915) 834-4413  
5857 North Mesa, Suite 10  
El Paso, TX 79912  
Lawrence.garcia@t-mobile.com



## **Application in a Car Dealership**

**Roberto Reyes**  
**Founder**

## **Cancellations and Deposits (CAN-De) Fund**

**A unique, win-win program benefiting car buyers with less-than-perfect credit AND car dealerships wanting to increase yearly sales.**

The Cancellations and Deposits (CAN-De) Fund began as an innovative program to assist cellular phone customers unable to pay high activation deposits.

Similarly this inventive concept can be adapted to the car business. The CAN-De Fund increases sales and revenue for a dealership, produces a more effective workforce and makes life easier for managers and salesmen alike.

Here's how it works: For each sales deal a predetermined amount, say \$50, is set aside in a deposit fund. The fund would be established through a pack derived directly from front end gross or from commissions. Once a decent amount has been set aside the CAN-De Fund can be used as a guarantor to banks for credit-challenged customers who don't qualify under normal channels.

Salesmen would act as "independent dealers". Not only will CAN-De Funds provide additional sales revenue but it can be done in a very selective manner for which these deals are ideal. For example, consider deals with hefty down payments and greater profit margins, like five pounders. CAN-De Fund can be very effective during tent sales since these events create a significant amount of unwinds due to the type of customers attracted (i.e. those with less than average credit scores). CAN-De Fund could be used to target additional sales or to prevent or minimize unwinds.

Imagine zero unwinds. Imagine taking this stress off managers and salesmen alike. Imagine the customer satisfaction.

Then think about the issues and possible litigation that crops up when a trade gets sold by accident on a deal that doesn't get bought by a bank. Once again, with a CAN-De Fund this would be prevented.

CAN-De Funds provide other benefits through WE OWES, WAFS and Accessories. Whenever a desk manager decides any deal is not worthy of additional costs on the deal a salesman can take action and provide a solution with resources from their own CAN-De Fund.

Also this applies to when car rentals are needed. When these WE OWES, WAFS and accessories are scheduled the customer's car is unavailable, necessitating an alternate form of transportation. The expense of the car rental can be provided through the salesman's CAN-De Fund.

CAN-De Funds have amazing potential and continue expanding their benefits. It makes a car dealership more efficient and further profitable, even through its finance department since it can also pack deals on a smaller scale to apply associated benefits.

To show an even greater perspective on this innovative program, imagine 40 salesmen equipped with a CAN-De Fund each. On their first year each fund has a balance of \$15-20,000, totalling approximately \$600,000. On top of that the dealership itself can have a CAN-De Fund with a similar pack of \$50 on each sale, accumulating a grand total of about \$300,000 on its first year. This is nearly \$1 million in resources that stimulate upwards of 100 additional car sales annually.

These are going to be special sales with the most profit margins and/or deals that are going to prevent issues and possible litigation.

Further, this is just in the first year. Over time the numbers double and even triple because the original fund from beginning participants is released after deals are paid off. The funds would be available for further and continuous use, an endless cycle benefiting everyone. Imagine the size of these funds ten years from their start and the increased value it can give a dealership because of their balances and benefits.

Another important feature CAN-De Fund provides is that it can be used as an additional rebate for deals with special circumstances, negative loser deals not possible nor permitted otherwise.

The greatest advantage of a salesman's CAN-De Fund is that all benefits are created and made with no risk to the dealership. It all lies on the salesman or independent dealer.

The 100 extra car sales example could mean upwards of half a million dollars in additional revenue in its first year alone in just one dealership. And with a corporation like AutoNation owing hundreds of dealerships nationwide you start to see the monumental effect on the bottom line.

CAN-De Fund also would allow for instance a General Manager to adapt additional benefits that could be envisioned from that position

By now you're starting to see the benefits to the car business. But the patented CAN-De Fund concept can be applied or adapted to any new technology as well.

Dealing with deposits, credit checks and charge backs gives it endless possibilities in its true worth. I believe in the millions of dollars.

The goal for this invention is to implement it into any dealership.

**How Salesman Rebate works:**

The manufacturer gives and deposits a preset amount from every sale of a new car directly into the CAN-De Fund of that salesman, say \$25.00. Depending on how much the salesman has available in his fund, a salesman can use all or part of his fund to target consumers for one particular car (Salesman Rebate). This benefit is then advertised to the public as "Get to know your salesman rebate". Huge, during this market, since manufacturers are looking for innovative ways to provide consumer confidence and restore business traffic. This would provide a better relationship between salesperson and consumer, since the salesperson would have control over the amount that can be used as his own rebate. It would also make difficult sales possible when dealing with customers of different needs or unusual circumstances. This point empowers the salesman and gives him a more respectable roll. Once again, this benefit would come directly from the salesman as a supplement to all and any rebates already coming from manufacturer and dealership.

**How Salesman Input works:**

Same as with Salesman Rebate, a preset amount from every new car sale is set aside into the CAN-De Fund. This fund is then used to convey ideas, methods, improvements, presentations and patents. Nissan and Auto Nation are missing out on great input from amazing talent from short term employees that have been in your stores as sales people and even management. Previous business owners in transition, that is salesman that in their own right and when they had their businesses were well on their way to be millionaires. These people have been on your floors and have great ideas to increase sales, revenue and efficiency of any given dealership, but don't have the tools, time nor resources to present you with these ideas properly. Some of these ideas can become patents with potential of increasing funds for the corporation. These salesmen are hungry to be heard and anxious to show their talents somehow and to be recognized, just like myself.

Any industry that owns a stake in CAN-De Fund will recover any cost easily. This patent was created to increase sales for any business and to prolong the relationship between businesses and consumers. The remaining benefits can be seen at [www.candefund.com](http://www.candefund.com) with a detailed description of invention. With your company's support its use and benefits can be furthered and expanded.

I am hoping since I am a Nissan salesman and an Auto Nation employee that your doors will be easily opened, I just simply need to be heard. I am looking for a company to either buy into my idea through licensing or by purchasing into it. Please take into consideration that this is a time sensitive issue and if not contacted soon, I will be targeting other manufacturers and even private owners. I believe that CAN-De Fund is worth in the millions. I do hope you will give this idea some serious consideration. Thank you for your time and I look forward to hearing fi-om you.

Once again any company having exclusive use of CAN-De Fund would have a huge competitive advantage and it is at this point where I am flexible and I can make it inexpensive and very cost efficient to allow my invention to be implemented.

Sincerely,

Roberto Reyes

[www.candefund.com](http://www.candefund.com)

(602)380-3911

**How Salesman Rebate works:**

The manufacturer gives and deposits a preset amount from every sale of a new car directly into the CAN-De Fund of that salesman, say \$25. Depending on how much the salesman has available in his fund, a salesman can use all or part of his fund to target consumers for one particular car (Salesman Rebate). This benefit is then advertised to the public as "Get to know your salesman rebate." Huge, during this market, since manufacturers are looking for innovative ways to provide consumer confidence and restore business traffic. This would provide a better relationship between salesperson and consumer, since the salesperson would have control over the amount that can be used as his own rebate. It would also make difficult sales possible when dealing with customers of different needs or unusual circumstances. This point empowers the salesman and gives him a more respectable roll. Once again, this benefit would come directly from the salesman as a supplement to all and any rebates already coming from manufacturer and dealership.

**How Salesman Input works:**

Same as with the Salesman Rebate, a preset amount from every new car sale is set aside into the CAN-De Fund. This fund is then used to convey ideas, methods, improvements, presentation and patents. Nissan and Auto Nation are missing out on great input from amazing talent from short term employees that have been in your store as sales people and even management. Previous business owners in transition, that is salesman that in their own right and when they had their businesses were well on their way to be millionaires. These people have been on your floors and have great ideas to increase sales, revenue and efficiency of any given dealership, but don't have the tools, time or resources to present you with these ideas properly. Some of these ideas can become patents with potential of increasing funds for the corporation. These salesmen are hungry to be heard and anxious to show their talents somehow and to be recognized, just like my self.