

**Intellicheck**  
**Q1 2018 Earnings Call**  
**May-14-2018**  
**Confirmation #13679682**

Operator: Greetings, and welcome to the Intellicheck First Quarter 2018 Earnings Conference Call.

At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. If anyone should require operator assistance during the conference, please press star, zero on your telephone keypad. As a reminder, this conference is being recorded.

I would now like to turn the conference over to your host, Gar Jackson Thank you. You may begin.

Gar Jackson: Thank you, operator.

Good afternoon and thank you for joining us today for Intellicheck first quarter 2018 earnings call. Before we get started, I will take a few minutes to read the forward-looking statement.

Certain statements in this conference call constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. When used in this conference call, words such as will, believe, expect, anticipate, encourage and similar expressions as they relate to the company or its management as well as assumptions made by and information currently available to the company's management, identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements are based on management's current expectations and beliefs about future events. As with any projection or forecast, they are inherently susceptible to uncertainty and changes in circumstances, and the company undertakes no obligation to and expressly disclaims any obligation to update or alter its forward-looking statements, whether resulting from such changes, new information, subsequent events or otherwise. Additional information concerning forward-looking statements is contained under the headings of Safe Harbor Statement and Risk Factors listed from time to time in the company's filings with the Securities and Exchange Commission.

Statements made on today's call are as of today, May 14, 2018. Management will use the financial term adjusted EBITDA in today's call. Please refer to the company's press release issued this afternoon for further information, definition, reconciliation and context for the use of this term.

We will begin today's with Bryan Lewis, Intellicheck's recently appointed, Chief Executive Officer, and then Bill White, Intellicheck's Chief Financial Officer, who will discuss the Q1 financials. Following their prepared remarks, we will take questions from our analysts and institutional investors. Today's call will be limited to one hour.

I will now turn the call over to Bryan.

Bryan Lewis: Thank you, Gar.

I would like to thank you all for joining us today, which marks my 82nd day on the job and second earnings call as CEO of Intellicheck. I would like to start my remarks by saying that it has been a fantastic 82 days and that I am even more excited that I was chosen to lead the company today than I was on day one.

Let me explain to you the reasons for that. As I said on our call in March, my main attraction to Intellicheck was the technology and the people here at Intellicheck who created it. We have a phenomenal core technology that is broad applications and a very large addressable market. The only change in my opinion since then is that I was short-sighted on how broad the applications are and how large the addressable market is for Intellicheck.

Our core technology of authenticating a government issued ID is quickly becoming the most vital step in combating fraud in credit applications and in areas I had not conceived of.

Let me talk about that in the context of the two verticals we sell into, the consumer transaction space and the law space. Let's start with the consumer transaction space, specifically retail. One must only read the news. On any given day, you'll see an article or research report detailing how identity theft and the creation of a synthetic identity is costing billions of dollars a year and is taking countless hours for victims to clear their records. This market is coming our way.

Given, the tidal wave of breaches and the type of information breached, it is becoming easier and easier for criminals to steal our identities. Over 145 million of our names, social security numbers and dates of birth were breached by Equifax alone. Just last week, Equifax also announced that the photos of 38,000 drivers licenses, 3,200 passports and 3,000 military and

state IDs were also hacked. With this data, criminals can easily steal your identity. Intellicheck stops this fraud.

Loopholes in the system and changes made in 2011 to the ways that social security numbers are created have allowed criminals to create identities out of thin air. In April of last year, US Postal Inspector David McGinnis called synthetic identity theft one of the fastest growing consumer fraud schemes. Intellicheck stops this fraud.

In January, Accenture predicted that synthetic identity fraud will cost banks billions in 2018 while Javelin [sp] Strategy and Research put the total value of identity fraud losses at just shy of \$17 billion in 2017.

In another interesting report put out by Accenture, their studies show that there is a 12 to 18 month cycle from the date of a data breach to when that data is used for fraud. While it was reported in September, the Equifax breach occurred from May to July of 2017. If Accenture is correct, this should be a very interesting holiday shopping season for credit card issuers and retailers.

To make things even worse, all the research on this fraud trend says that it is moving online, and we have the perfect solution to combat this trend. Intellicheck's Retail ID Online stops this fraud.

As I said, the market is coming our way, so let me put that in context. When I got here, we surveyed our clients to ask for what they say is their average dollar amount lost in a fraudulent transaction, whether identity theft, synthetic identity or a card not present transaction.

For our department store clients, the actual fraud loss number averaged \$2,100 per transaction. For our tool and equipment merchants, the average was \$2,569. Furniture and home furnishings average fraudulent ticket was \$2,908. And for jewelry stores, it was \$3,574 per transaction. Remember, these are actual fraud numbers as reported to us by our clients.

By themselves, those numbers may not seem so large, but when you consider the amount of fraudulent transaction attempts, the fraud adds up quickly. We looked at the number of fraudulent transactions Retail ID stopped as criminals attempted to use fraudulent IDs to get credit or perform a card not present transaction for just four of our department store clients for the period of October 1, 2017 to April 15, 2018. Retail ID stopped 35,000 transactions, saving those chains a combined \$12 million per month. That is \$12 million per month right to the bottom line.

Criminals may be able to steal your identity or create people out of thin air, but with Intellicheck's 99.9% plus accuracy rate, creating a valid government issued ID that passes the Intellicheck authentication is proving to be a challenge for criminals. Authentication is the first line of defense in combating fraud, and Retail ID has a proven record preventing this fraud for our clients, whether in store or online.

Also in the consumer space is the sale of age restricted products. We're having great success with the alcohol and tobacco enforcement agencies across the country with 33 agencies now using Age ID to enforce the law. This in turn leads establishments in those states to use Age ID to comply with the law. Using the same technology the enforcement agencies are using makes obvious sense for them.

With more states legalizing the sale of cannabis, age restricted markets continue to grow. And I'm sure you're all aware of the discussions on Capitol Hill over the explosion of the number of teens vaping tobacco - again, another age restricted market coming our way. Age ID is a quick to implement, effective solution to stop underage people from purchasing products they should not, again, whether in store or online.

Our available markets in the consumer space doesn't stop at just shopping and age restricted products. As we've seen from the last election, we need to authenticate who's behind a Tweet or news story. If you open an account on a crypto currency exchange, how do they authenticate who you are? There are many transactions or interactions where you need to know that the person on the other side is authenticated and that they are really who they claim to be.

We see the number of interactions and the potential services where you need to authenticate the other side of the interaction growing and growing quickly.

Not to be over overly repetitive, but all of these markets are coming our way. Authentication of a government issued ID is the best first step in a transaction and is currently the best method of trusting that the other side of the transaction is with the intended participant.

Let me turn to Law ID. Since I last spoke to you 53 days ago, I said that by the end of the second quarter we would be live in four more states. I am pleased to say that, in addition to the state of Delaware, we now have the states of Virginia and Tennessee live, connectivity to New York and Massachusetts, and the fingerprinting and clearance process is underway with South Carolina.



We have additional pilots underway in Delaware, pilots started in Virginia and soon to start in Tennessee. We recently brought on board a new sales person dedicated specifically to Law ID, and they are already showing results.

We have several departments in New York committed to pilots as soon as the switch is thrown. The pilots in Delaware have all converted into paying clients with final counts of the officers to be outfitted with Law ID underway.

There are several reasons the officers tell us they like the product so much, but the main reason it goes right back to our core competency. The fact that they could scan and instantly authenticate the ID presented to them meant they knew who they were talking with. That's a game changer for officers and enhances both officer and citizen safety. This was followed by the speed of the application and the fact that the officers were now truly mobile.

One of the reasons we flipped so many inlet switches over the past month is due to one of the words I spoke about on our last call, focus. The board chose me to lead Intellicheck because they knew we had phenomenal products but were not able to monetize them as quickly as we would like. On the last call, I spoke about the focus we would bring to productivity, sales and marketing here at Intellicheck.

My first area of focus is the structure of the sales team. We've made several changes to the team. First, when we looked at the size of the market opportunities we had before us and the success we've had with activating inlet switches, it only makes sense to create two dedicated teams, one focused on the consumer transaction market and the other on the law market. Each market is potentially large enough to deserve the unfettered focus of a team.

The consumer team will focus on closing credit card issuers, retail change, large scale purchasers of Age ID and other large authentication needs. The law team will focus on state and federal law enforcement opportunities, and this new structure is already yielding results.

As part of this process, we have terminated some employees who were not excelling at enterprise SaaS sales, and we've hired a salesperson experienced in selling enterprise SaaS products to this market, and we'll be hiring more salespeople experienced in enterprise SaaS sales. The sales additions will be based out of our Melville, New York headquarters. This focus in skill set match will lead to increases in revenue productivity in this important vertical.

The second thing we're doing in sales space, specifically for Age ID, is targeted direct mail marketing. We are focusing on the states where we have the alcohol, tobacco, and cannabis authorities using Age ID and/or reseller rep relationships in those states.

Our first marketing campaign is hitting as we speak. This should bring in low hanging fruit without expanding sales time that should be spent on large SaaS deals. Additionally, we've engaged with a search engine optimization firm and a direct marketing firm to help drive traffic and sales to our company.

Our messaging is not as tight as it should be, and I'm interviewing firms to help us with messaging and marketing. Our PR activity is picking up, as many of you may have seen, heard or read the TV spots, podcasts, articles, and interviews. We have a full schedule going forward because we have a very compelling and timely story that people want to hear.

In closing, I want to reiterate how exciting my past 82 days have been. I've completed a thorough evaluation of our people and products, and this has reinforced my belief in the company and the value proposition we provide across multiple and growing markets.

As with anything, things are never as quick as I would like. However, I am confident that realigning and focusing the sales team combined with a general awareness of the growing problem of identity fraud is helping to create this market and direct it our way. This should accelerate adoption of our products.

The pipeline for our consumer authentication product is as strong as ever, and I believe our retooling the sales team is sitting on this vertical, will increase and speed up our closing rate.

Our Law ID product is now off and running, and we have reference clients to help speed sales.

Given the opportunity I've seen over the past 82 days, as I said to start the call, I'm even more excited that I was chosen to lead this company than I was on day one.

I will now turn the call over to our CFO Bill White to discuss the financial results.

Bill White: Thank you, Bryan, and a good day to our shareholders, guests and listeners. I'd like to discuss some of the financial information that was contained in our press release for the first quarter ended March 31, 2018 that we released a short while ago. We anticipate that our Form 10-Q will be filed with the SEC later today.

I'll begin with our first quarter results. Revenue for the first quarter ended March 31, 2018, grew 49% to \$1,062,000 versus \$713,000 for the same period last year. Our SaaS revenue was \$595,000 for Q1 of 2018, which increased by 120% from approximately \$270,000 for Q1 2017 and was a 5% sequential increase from approximately \$569,000 in Q4 2017.

Gross profit as a percentage of revenue improved to 90.5% for the quarter ended March 31, 2018 compared to 84.6% for the quarter ended March 31, 2017. The increase in percentage is due to higher revenues of our SaaS product and product mix.

Operating expenses that consist of selling, general and administrative and research and development expenses increased by 32% or \$500,000 to \$2,043,000 for the three months ended March 31, 2018 versus \$1,543,000 for the three months ended March 31, 2017. This increase was primarily driven by a higher headcount for our sales and development personnel and accelerated R&D efforts.

The company posted a net loss of \$1,068,000 for the three months ended March 31, 2018 compared to a net loss of \$937,000 for the first quarter last year. The net loss per diluted share with \$0.07 versus \$0.09 in the prior year.

Adjusted EBITDA for the quarter ended March 31st, 2018 was a negative \$962,000 compared to a negative \$739,000 for the first quarter 2017. Interest and other income was negligible for the quarters.

And I'd like to now focus on the company's liquidity and capital resources. As of March 31, 2018, the company had cash of \$7.8 million, working capital defined as current assets minus

current liabilities of \$6.9 million, total assets of \$17.7 million and stockholders' equity of \$15.7 million.

During the three months ended March 31, 2018, the company used net cash of \$244,000 compared to net cash used of \$789,000 for the three months ended March 31, 2017. Net cash used in operating activities was \$865,000 for the three months ended March 31, 2018 compared to \$817,000 for the same period in 2017.

Net cash used in investing activities was \$67,000 for the quarter compared to net cash provided by investing activities of \$4,000 for the three months ended March 31, 2017, and we generated cash of \$688,000 from financing activities during March 31, 2018 compared to \$24,000 in the quarter ending March 31, 2017.

On May 22, 2017, the company entered into a one year revolving credit facility with Northwest Bank. This agreement allows for maximum borrowings of \$2 million secured by collateral accounts and various interests at the Northwest money market plus 3%.

As of today, there are no outstanding borrowings under this facility, and we anticipate that our available cash as well as expected cash from operations and available under this facility will be sufficient to meet our anticipated working capital and capital expenditure requirements for at

least the next 12 months. As of December 31, 2017, we had a net operating loss carry forward of approximately \$11 million.

And I'll turn the call back over to the operator who will take questions from our analysts and institutional investors. Operator?

Operator: Thank you. At this time, we will be conducting a question and answer session. If you'd like to ask a question, please press star, one on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press star, two if you'd like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star keys. One moment please while we poll for questions.

Our first question is Mashuk Amir [sp], a private investor. Please go ahead. I'm sorry, sir, your line is live. Perhaps you're on mute.

And we'll move on to our next question here from Tanner Hoban from Oppenheimer. Please go ahead.

Tanner Hoban: Hi, everyone. Can you talk a little bit about the timeline for productivity for your new sales team restructuring initiative, and what you expect to going out for the rest of the year, and how that could impact your extended sales cycles that was previously mentioned over the past few phone calls? Thank you.

Bryan Lewis: Yeah, sure, Tanner. This is Bryan Lewis. I don't expect a major impact in terms of the productivity. We've got our VP of Sales Paul Fisher stepping in to actually take over one of the territories, probably the best salesperson we have here. So, I think that should help out-- and then also bringing in a--somebody with experience selling large scale SaaS enterprise implementations to the banking industry. I don't see it having a major impact on what we're doing on the consumer side.

I only see upside in focusing with two sales people in law. So, we took one of our existing sales people in addition to the hire that we made a few months ago and are having them work as a team to bring on board as many of the agencies within the states where we've turned the switch as possible.

Tanner Hoban: Got it, thank you. And also, furthermore, can you talk a little bit about your pipeline growth? It seemed SaaS revenue was increased on a sequential basis about 5%, and over the past three quarters, it seemed to decelerate a little bit. Does this have anything to do



with a slow pipeline growth? Was it just primarily attributable to the execution that you mentioned on previous calls? Can you help us understand how--what we should expect from SaaS revenue growth, particularly as new sales hires are helping ramp up the law portion and as you look to--for new initiatives for the consumer transaction portion? Thank you.

Bill White: Look, I'd say that the pipeline is, as I think I said in my remarks, as robust as it's ever been. And I think also, as we really realize where this authentication technology can be used, the pipeline's going to just expand. My concern is pipelines are great. Closing is a heck of a lot better.

So, I think that there were some execution issues, which we are working on, which hopefully will speed the pipeline up. That is the goal of the restructuring is to have the right skill-set matched to the right client type, and if we do that properly, we should see an increase in our execution capabilities in closing.

Tanner Hoban: Great. Thank you.

Bryan Lewis: You're welcome.

Operator: Our next question is from Mike Grondahl from Northland Capital Markets. Please go ahead.

Mike Grondahl: Yeah, thank you. Any update on the other large bank partner you were kind of talking to or the electronics retailer?

Bryan Lewis: Yeah, I will say that we were working with that bank partner in conjunction with another vendor. They were looking for a combined solution from both companies. They've decided that that combined solution didn't make sense. However, they wanted to speak with us directly.

So, we are still--it's one of those things that, unfortunately, given the change in their strategy, is probably sliding to the right a little bit, but we are still in active discussions and negotiations.

Mike Grondahl: Got it. And then the electronics retailer, is that still in the pipeline?

Bryan Lewis: You are correct, yes sir.

Mike Grondahl: Have you lost anything out of the pipeline?

Bryan Lewis: When I go back and look at what we did, I can say that we've not lost anybody to a competitor. We've lost--the things that I'd say that might have been large that we lost has been in the Age ID space.

We were working with a very large concert venue, somebody provides the beverage services and everything. And while the pilot that we worked with them I would say was a complete success, it did everything that they wanted, it taught us a lot about what we needed to do in that space, which brought us in other clients of similar size, and again, helped us build a product that I think has very broad applicability.

But, at the end of the day, it boiled down for that particular client that being socially responsible might be nice, but it's not required by the law. Thankfully, we have a lot of other clients who believe that being socially responsible and keeping age restricted products out of the hands of underage people is a competitive advantage. And I think that also shows in the amount of the alcohol beverage, tobacco control boards that use our product.

So, while that--I would call that one lost, I would say that I don't see it lost forever. We continue to speak to them and hopefully educate them on the competitive advantage of making sure that you're serving only people that you should and to understand that the

reputational risks that they take on is probably not worth it compared to what it would cost to make sure that those people aren't getting the products that they should not have.

Mike Grondahl: Got it. And then I think for Law ID, I heard Delaware, Virginia and Tennessee were live, and the first two--.

Bryan Lewis: --Yeah--.

Mike Grondahl: --Had some pilots going and maybe some pilots soon in Tennessee. What were the other states you mentioned and their status?

Bryan Lewis: Sure. So, Massachusetts and New York, we have what I would term connectivity, which means our computers are talking to each other, we're sending messages back and forth. Every state has some slightly different messages that they get--that we would receive from their state specific systems.

So, in the states, that's what we're programming to now. It's generally a couple of week process. The federal stuff is the same. We've got that program for everybody. So, Mass and New York are on--connected, computers are speaking, and we're programming so that we get all the messages right and we can put the devices in the hands of the officers.

Mike Grondahl: Got it. And then I think you mentioned South Carolina, but maybe I misheard you?

Bryan Lewis: Yeah, in South Carolina--the first step in doing any work with a state is they have to put us through security clearance. So, everybody who works on the product, anybody who can see what's going on with the product has to be fingerprinted and security cleared. So, we are doing that right now with South Carolina.

Once that's done, then we begin conductivity testing, and as soon as that's done, then we bring in the programming. But, we have certainly learned a lot about how to speed this up, as you can probably tell by the numbers last quarter to this quarter in terms of switches flipped.

Mike Grondahl: Yeah, definitely. And then I think you talked about four of your retailers, I think, were from October 1 to April 15, you kind of helped prevent 35,000 transactions. And did you say that that saved those retailers \$12 million a month or in total?

Bryan Lewis: \$12 million a month.

Mike Grondahl: I mean, it feels like that's your marketing slogan right there. I mean, that's just a huge number.

Bryan Lewis: You're absolutely onto what it is that we're doing because there's a couple of things that--you know, one, I can say with certainty, I see when somebody comes in and tries to use an ID that is fake, and we know it because we flag it, and we keep those counts.

And then the thing that really makes the story is, when we went out and we asked our clients by client type, how much is the average hit every time somebody comes in and does one of these fraudulent transactions, and that's where we got those numbers, ranging \$2,100 for retail up to just over \$3,500 per transaction for jewelry.

And you can imagine how easy that is to do. If I come in and I get fake credit and I walk out of your store with brand new Rolex, that hurts, and that's what we're stopping.

Mike Grondahl: Got it. And then how should we think about sequential growth 2Q, 3Q and 4Q, the rest of '18?

Bryan Lewis: I really can't provide guidance on that other than to say we have a very, very strong pipeline. I believe that we're putting the right sales team in place to attack both of these very large markets in the way that we need to do it.

Mike Grondahl: Got it, got it. Well, hey, good luck, and kind of great to hear the progress, and obviously, still a bit of work, but you've definitely got a product that I think can help retailers and these states out, so thank you.

Bryan Lewis: Thank you. I definitely agree with you.

Operator: Our next question is from Michael Samuels from Berthel Fisher. Please go ahead.

Michael Samuels: Yes. Thanks, Bryan, and thanks for taking my call. I'm just wondering--I know so far, everything we've done are on the small side, like the six shop [sp]--what is the capability that we have to go to the bigger ones, in all the department stores, even in the--like the Age ID, the big, big venues like sports teams, things like that? Do we have the capability to do it?

Bryan Lewis: Yeah, we absolutely have the capability. Your question is do we have the computer bandwidth to handle it?

Michael Samuels: Correct. I mean, are we able--if we were to land a couple of these, would we be able to service them?

Bryan Lewis: Yeah, absolutely. First off, we've got clients that have over 1,000 stores, and we do millions of scans. It's not an issue for us. The technology has been set up. It's all in the cloud so that if we need more headroom, we can easily flip it on it. It's, again, not anything that--from an IT technology standpoint, we can turn around and bring on any number of large clients and scale it near instantaneously.

Michael Samuels: As we're getting the actual apparatus, we have that, that wouldn't be a problem?

Bryan Lewis: What do you mean by apparatus?

Michael Samuels: Well, I'm saying so like if--for like every person that runs it--isn't there like a machine that it goes through or they just scan it?

Bryan Lewis: Well, if you think--yeah, if you think about most of the large stores that we're going into, they integrate us into their point of sale system. So, already have the equipment.



It's that same scanner that you see somebody scanning a purchase, just scans the back of the license.

Michael Samuels: Okay. And then one last question - in the previous calls, we talked a lot--and I know--I don't know if we can say anything on it or not--we talked a lot about the Honeywell lawsuit, which we initiated, but all of a sudden, it just seems to have disappeared, and nobody's saying a word about it. Just if there's any update or anything you could maybe give us on that?

Bill White: Yeah, I'll just repeat what we said during the last earnings call, that the settlement was confidential on both sides, so neither ourselves or Honeywell can speak about it. I would also say that if there were anything material about it, it would have been in the Q.

Michael Samuels: Okay. Thank you very much.

Bill White: You're welcome. Thank you.

Operator: Our next question is from Roger Liddell from Clear Harbor Asset Management. Please go ahead.

Roger Liddell: Yes, thank you. Bryan, can you shed some light on the adoption process? I'm thinking of major credit card issuers who in the past and I take it have continued to sponsor a pilot project demonstration--I'm not sure which word I should use, but in any event, the bank was willing to foot the bill to do the demonstration. And my understanding is there have been unqualified successes for those retailers. The scope of the one you put on this call, the \$12 million a month is stunning. I don't need \$12 million to make it successful. But, how should I think about the adoption process at those issuers once we've gone through the process of demonstrating the product?

Bryan Lewis: Well, I think, Roger, that that's part of, in a way, the revamping of the sales team and how we're going to be going out and tackling the large banks who bear most of the pain when it comes to this loss. I think we've done very well at going to some of the individual stores and showing them how we can help them with the personal loss that they would bear. And we probably haven't been as good as I would like in then taking that story to the banks themselves who are issuing the credit and taking on most of it.

And part of that was, again, a focus issue. We had our salespeople doing more than I think they should or could when they were trying to sell all products to all people - so, Jack of all trades, and master of none.

I think that, now with having a dedicated team going to the bank, having this research now so that we can confidently go in and put together--I can sit with a bank right now and say, all right, this is what all of our clients are telling us, we know that this is the rate at which we see fraudulent transactions come in, and create a compelling story to somebody at the bank that says, even if my numbers are off, cut them in half, it's still a very effective solution, very cost effective to you, and it's going to really add to your bottom line.

So, I would say, Roger, that it's part of the education retooling process that we have here going on right now, but with the team that we have in place, and I think under Paul's leadership, the consumer transaction space will improve and improve hopefully quickly.

Roger Liddell: Okay. Thank you. And for the turning on switches and getting states up and running, you were willing to put some credibility on the line giving us the four by end of the second quarter, and I think you're saying that that box has been checked. Can you at this point look forward to anything beyond this current quarter and give us directionally or with adjectives if not percentages, but how we might see that adaptation slope go?

Bryan Lewis: Yeah, I think there's a couple things that we could talk about. One is do we bring on a lot more states or do we concentrate on just what we have? There--I will tell you that

there are a couple of states where you'd have a lot of interest in the past and you just weren't good at getting the switch up.

I want to focus on getting a couple of those states up. They've got a police department to the size that I think would be really good and really important to us to have--to make sure that we get them, but I also want to make sure that we have the bandwidth to be able to really make money out of what we're turning on. I just want to make sure that we're not turning on switches for the sake of turning on switches.

So, for example, in the five states that we talked about - Delaware, Virginia, Tennessee, Massachusetts and New York - there are over a 145,000 sworn officers in those states. So, if we just got 2.5% of them converted into clients, you know, that's a multimillion dollar opportunity.

So, I want to make sure that we capitalize on the opportunity that we have in front of us as opposed to always just chasing that next switch. I would really like to see the states where we're in, we get really good clients in those states because it's my belief that, after we get enough of these states really using it, it becomes viral, and people want to buy the product and we don't need to sell the product.

Roger Liddell: Yeah, okay. That's helpful. Thank you, Bryan.

Bryan Lewis: Thank you.

Operator: Thank you. This concludes the question and answer session. I'd like to turn the floor back over to management for any closing comments.

Bryan Lewis: So, I just want to thank everybody for attending the conference call. I want to reiterate how much fun I've had in the past 82 days, how supportive and I think a very strong management team that we have in place. And I can tell you that I'm very much looking forward to our next call.

Operator: This concludes today's teleconference. You may disconnect your lines at this time. Thank you for your participation.