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Dear Clients and Friends:

What's in your wallet? Surely you carry a few magnetic stripe cards, the kind you swipe for purchases. In fact, most of us have so many cards, they won't fit in a wallet. I keep all the "extras" in my glove compartment, including Costco, Sears, Penneys, Petco, and a bunch of gift and membership cards.

Inventors have been trying for years to come up with a smart card. This device would look like a regular credit card, but it would store all the information from your other magnetic stripe cards. It would mirror all of them, and it would work everywhere.

The three serious competitors in this industry are Plastc, Stratos and Coin. None of them has built up an inventory, but they're taking orders to be filled in the coming months.

To make a smart card work, you need a smartphone, which most people already have. Your phone acts as a remote control to the card, just like a universal remote lets you control your TV, DVD and stereo at home.

What if you leave your smart card at a restaurant? It realizes your phone is no longer close by, and automatically locks itself. If anyone picks up your card, it's "dead." Unlike regular cards, there's no printed account number or expiration date on the face of a smart card, and when it's not near your phone, the magnetic stripe won't work.

There are some drawbacks. These smart cards cost about \$100 a year, a price which will come down as the market expands. The battery wears out in a couple of years, and you have to replace the entire card. Most important, the new EMV global standard for chip-equipped cards will soon require changes in the technology. Still, I'm willing to bet sometime in the near future, we'll find ourselves with only one card in our wallet.

Regards,



Charles M. Shackelford