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Game Changer

JOURNEY

My journey began when I started managing my own finances. This was years before The Jackson Group, a financial management firm, came into existence. It culminated in designing HAL, which is an app that fills a void in the personal financial management space.

During this journey I learned:

- There is a direct correlation between the amount of time spent managing finances and the amount of increase in net worth.

- Current personal financial apps require an inordinate amount of time and financial knowledge from the user.

- There are no financial apps that manage all aspects of personal finances with the end goal to increase net worth.

The following pages explain HAL's intrinsic capabilities and how they increase the user's net worth. The HAL video, *which is a prototype of the app*, demonstrates the interaction between HAL and Dave, who is a financially sophisticated consumer. This is not to imply that HAL is meant to be used only by those who are financially literate.

To watch the video, go to the HAL Video page. The website's Documents page has additional information regarding this once-in-a-generation AI assistant.

Something Wonderful Will Happen

AFTER-ACTION REVIEW

To date, I have not succeeded in developing HAL. The After-Action Review came about because I needed to understand the reasons for my inability to get HAL across the finish line.

Mistake One – Not Realizing Most Don't Understand a Problem Exists

I am trying to fix a problem that most don't realize needs fixing even though it fundamentally affects them. It never occurred to me that individuals, such as venture capitalists, would not appreciate the value of managing personal finances. My assumption was those who expected accurate, complete, and current financial information from a company they were investing in would demand the same for their own personal finances. Taking Control of Your Finances (page 5) discusses personal financial management.

Mistake Two – Inartfully Describing HAL

As I was writing this After-Action Review, I recognized my description of HAL was inartful. I was depicting HAL as an app providing personal financial management services, which it does. Instead, I should have highlighted that managing finances increases net worth. The Elevator Pitch (page 4) rectifies this elementary mistake.

Mistake Three – Didn't Focus on HAL's Intrinsic Design

I didn't emphasize that HAL's conceptual framework fills a void in the financial management space. HAL's design features and functions set it apart from all financial apps. The Competitive Advantage (page 15) and HAL (page 23) sections identify the differences between HAL and other financial apps.

Mistake Four – Not Selling HAL

Because of my belief that HAL would sell itself, I didn't try to sell HAL. It wasn't hubris; I assumed HAL's immense profitability would be obvious. This mistake is indefensible. The Monetization (page 18) section addresses this oversight.

Mistakes Are the Seeds of Success

THE ELEVATOR PITCH

HAL embodies a paradigm shift in managing finances. This disruptive app incorporates Voice Recognition, Natural Language Processing, Hierarchical Algorithms, Artificial Neural Networks, and AI to increase net worth. HAL is designed to customize itself as the user's behavior is learned. Financial knowledge is not a prerequisite to use this app, allowing all to benefit from managing their finances. Digitizing financial management services makes HAL universally affordable; thereby, enabling this transformative app to be both socially impactful and immensely profitable.

Hierarchical Algorithms Logic

TAKING CONTROL OF YOUR FINANCES

According to Wikipedia: “Personal financial management (PFM) refers to software that helps users manage their money. PFM often lets users categorize transactions and add accounts from multiple institutions into a single view. PFM also typically includes data visualizations such as spending trends, budgets and net worth.”

If you ask ten people what personal financial management is, you will get five different answers. The other five won’t have a clue. In short, PFM is anything and everything related to personal finances. It is the gateway to fiscal health. Consequently, personal financial management should be a part of your daily life.

Physical and Fiscal Health

Next to your health, finances are the utmost importance to your well-being. We live in an era in which people take time to exercise, but give less attention to their financial health. Managing personal finances should not be considered an option for fiscal health, but a necessity.

People make time for things that are important to them. Managing your financial health takes time – just as it takes time to maintain your physical health. HAL will lessen the time needed.

Personal Financial Management Is Both Science and Art

Data is an integral aspect of PFM. Two plus two dollars may equal four dollars, but those four dollars can be viewed in multiple ways. Case in point, two of those dollars are from earnings and two are a gift from an aunt; those four dollars are invested; the investment doubles in value including dividends. It takes an inordinate amount of time to categorize each of these permutations. HAL will do it instantly.

Humankind has been dealing with finances since the first sea shells were used for currency. Thousands of years later humanity advanced to collecting, recording, and managing personal financial data with pen and paper. Personal computers appeared and financial software was developed which ushered in the digital era. Artificial intelligence has arrived. Hierarchical Algorithms and Artificial Neural Networks will enable everyone to manage their finances. This sets HAL apart from all financial apps.

Technology Has Outpaced Financial Behavior

Technology has significantly influenced our lives in areas such as commerce, communications, and entertainment. Financial management behavior, on the other hand, has not fundamentally changed even though computers are ubiquitous, broadband is commonplace, and personal financial apps are readily available.

The manner in which people manage their finances has changed little since the arrival of the digital era. This is all the more surprising since as people's finances have become more complex, a corresponding need has grown for managing finances.

Online banking, contrary to marketing campaigns, does not constitute managing finances. Paying bills online is simply another way of writing checks. Going online is today's version of calling your bank to check account balances.

PFM creates a financial road map to increase net worth. Driving from New York to Los Angeles without a map or a GPS unit would be considered imprudent. It seems incongruous in today's tech-savvy world that people would drive blind. Yet, this is what most are doing with their finances.

Technology has not had a profound influence on the practice of personal financial management. HAL's forward-looking features and functions, such as interactive communications (text and voice) and customization (learning a user's behavior), will be the catalyst for individuals to start managing their finances.

The Value in Managing Finances

The need for companies, regardless of size, to have accurate, complete, and current financial information is unquestioned. Personal financial information, however, is not viewed with the same degree of importance. It's nonsensical for financial management to be considered essential for companies, but not for individuals.

This begs the question: Would you invest in a business that managed its finances similar to how your finances are managed? Personal finances are at least as important as the finances of a business.

Personal Financial Management Is Key to Financial Security

PFM helps people to take control of their financial lives. Financial security is not an unattainable dream. HAL will be instrumental in making it happen.

There is a direct correlation between the amount of time spent on managing personal finances and increasing net worth. The rate of increase can be measured, even if imperfectly. Compensation for investment advisors centers on assets under management. The fee structure is based on the notion that the advisor increases the value of assets by at least the amount of the management fees.

If an investment advisor's management fee is one percent, then it's reasonable to assume that individuals who manage their finances should increase their annual net worth by at least twice as much since they are managing income, expenses, assets, and liabilities. At two percent*, your net worth will double in value within a working lifetime*.

Personal Financial Applications

There are apps to track expenses. There are budget apps. There are apps that help consumers to save. There are investment apps. There are retirement planning apps. HAL embraces a holistic view towards finances, with its focus on increasing net worth.

Financial decisions made with incorrect, partial, and outdated information have both immediate and long-term impact on your net worth. While this is the Achilles' heel of Quicken and Mint, information from HAL is trustworthy.

The Human Element

Managing personal finances has a psychological component, which has a significant impact on accumulating wealth. Emotions too often overrule rationality. In psychology, decision-making is regarded as the cognitive process resulting in the selection of a belief or course of action among several possible alternative options. It could be either rational or irrational, logical or emotional.

In order to fully understand PFM, the manner in which people behave with money needs to be understood. Intelligence, education, experience, and net worth have little to do with behavior. Because behavior is inborn, it varies by person, is hard to measure, and changes over time. An app that understands how users behave with finances can help them to act rationally and to overcome emotions in their financial behavior. HAL is designed to do this. Quicken and Mint are not.

Personal finances are a complicated and difficult subject for many. It's not uncommon to act as a (financial) therapist to my clients.

People are quite guarded about their finances. Friends, even casual acquaintances, would rather tell you what they did in bed last night than what is in their checking account. I know more about my friends' relationships than their personal finances.

A variety of reasons are given for not dealing with fiscal health. Many try to rationalize their financial inattentiveness. Try as they might, these excuses don't pass muster.

HAL will empower people to take control of their finances, which reduces financially related distress. According to BetterUp, "Financial stress is one of the most common and persistent forms of stress in the world. Managing money is a big part of being an adult, and it can feel like when that's not going well, nothing else is, either."

Many believe they have a good understanding of their finances. People think they know how much money they spend. People think they know how they spend their money. Most people are wrong. HAL will know.

Those who believe they have a good grasp of their financial situation should be able to answer these five questions.

- What is your net worth?
- What is your savings rate by percentage of earned vs. passive income?
- How much has your net worth increased based on savings vs. assets?
- How much could vs. should you be saving for retirement?
- What is your liquidity quotient?

How quickly can you answer these questions? HAL will answer them instantly and correctly.

The number one financial mistake individuals make is *not* managing their finances.

TRACKING FINANCIAL HEALTH

Data Points • Reports • Graphs

Data may not be a sexy subject; but, it's the most important facet when it comes to finances. Just as scales, tape measures, and BMI calculators are weight management implements, data points, reports, and graphs are tools in managing finances. They are helpful to ascertain financial information, use as benchmarks, and recalibrate financial plans. The importance of these tools cannot be underestimated.

Upon determining the user's needs, HAL will provide information that is germane. This is based on both current as well as past communications and behavior. HAL interactively communicates with the user until the required information is produced. Quicken and Mint don't.

Because data is used to assess your financial health, information must be as granular as is warranted or as big picture as is necessary. Once data is gathered and correlated, disseminated information, usually in the form of data points, reports, and graphs, comes next. Otherwise, a financial app is simply being used as a tool to pay bills. There's nothing wrong with that, but the purpose of managing finances is to make better financial decisions. And, improved decision-making leads to increased net worth.

There are inherent issues with reports and graphs. Creating them is not as straightforward as most assume. Proficiency is required to assure needed data is captured. Once a report is created, data accuracy must be verified. Financial knowledge is needed to affirm the report's reliability. Quicken and Mint require their users to have such expertise. Upon receiving a request for a report or graph, HAL may ask the user for more information to ensure that the needed data is encapsulated.

Quicken and Mint users must also have expertise to understand the information. For example, a checking account has a zero balance on January 1 and a zero balance on the last day of the same year. Throughout the year income was deposited into and expenses were paid out of this checking account. Which of the following statements are true?

- The amount earned was more than the amount spent.
- The amount earned was less than the amount spent.
- The amount earned was the same as the amount spent.

Any one of these statements could be correct. HAL will instantly provide the right answer. Quicken and Mint don't.

Most Quicken and Mint users don't realize an Income and Expense report or graph do not show the whole financial picture; thereby, misleading them with inaccurate

information. HAL will automatically suggest including a Balance Sheet report so as to provide a complete picture.

Selecting the cash or accrual basis method of accounting when creating reports and graphs can be crucial in determining the needed information. Sometimes it's helpful to use both accounting types to see a comprehensive picture. HAL will bring this to the user's attention. Quicken and Mint don't.

Tax payments can be viewed in multiple ways. Accountants may note that they are a liability and, therefore, should appear on the Balance Sheet rather than the Income and Expense report. And, there is a dating issue since the amount of taxes paid will not be known until tax returns are filed in the following year. HAL will address this matter. Quicken and Mint don't.

Ensuring data is accurate, complete, and current isn't a simple exercise. Quicken and Mint require users to have financial, accounting, and tax knowledge in order to verify their data's reliability. HAL will have this knowledge.

Financial apps should answer questions promptly with minimal input from the user. Quicken and Mint don't. HAL will provide answers instantly unless clarification is needed. In this event, HAL interacts with the user until the request is clarified.

Quicken and Mint users must manually generate reports and graphs. Because of the length of time it takes to create them and verify the data is accurate and complete, the information is often outdated. The fact that data changes constantly make this task even more daunting. HAL will promptly create reports and graphs upon the user's texted or verbal commands.

Since HAL produces data instantaneously, information will always be current. This is especially critical since data is dynamic. Equities are a good example. Financial information can change dramatically within a few hours or even minutes during major market fluctuations.

As long as you have a Smartphone, you won't need a PC or tablet to gauge financial health. And, as long as you have a PC or tablet, you won't need a Smartphone to track financial health. However, you will have a better user experience when using both a Smartphone and a PC or tablet since cell phones are conducive in the exchange of data points and it's useful to have a large screen to review reports and graphs.

Tracking Data Increases Net Worth

INCREASING NET WORTH

INCOME and EXPENSES vs. BALANCE SHEETS

There are two parts to personal finances – income and expenses and balance sheets. While both are essential in managing finances, balance sheets are what matters at the end of the day. It is pointless to track income and expenses if balance sheets don't increase in value.

Monitoring income and expenses along with assets and liabilities is indispensable in understanding your financial well-being. Benchmarks, such as spending amounts, debt levels, and investment portfolio, are helpful signposts in the quest to increase net worth. Too many people believe their income is the yardstick to use in determining how well they are doing financially. While income is important, balance sheets are the better barometer of financial health.

Whereas it is not a prudent financial strategy to focus on income and expenses rather than assets and liabilities, budgeting does have a role to play. Before Quicken and Mint users can correctly calculate their spending by budget item, bank and credit card accounts must be reconciled. The problem is these statements arrive after the budget month. Unless Quicken and Mint users post every single transaction on a daily basis, they find it next to impossible to have a functioning budget. HAL will instantly provide data points, such as the amount that's being spent on each budget item.

Although HAL users will have spending information at their fingertips, a different budgeting approach should be considered. Instead of multiple budget items, monthly based budgeting should consist of three buckets: Savings, Fixed Expenses, and Discretionary Expenses.

The first bucket entails paying yourself at the beginning of each month. This bucket, which is usually an afterthought, is your personal paycheck. If funds are not available at the end of the month, you have just worked for free. The amount to save is based on income as well as other financial factors. Even though the savings amount is important, the key is consistency. Choose an amount to save monthly; and, put that amount aside religiously every month. Only HAL acts as a financial coach.

The next bucket requires some soul searching. Are you living above, at, or below your means? Be honest with yourself when reviewing fixed expenses. In order to meet your net worth goal, which items could and should be reduced? Only HAL acts as a financial coach.

The final bucket includes expenses which you have the most leeway – dining, clothing, entertainment, vacations, etcetera. Think of it as an allowance. How the allowance is spent is up to the individual since we all spend money differently. The only restriction is the total amount that can be spent. The limitation necessitates the prioritizing of how the allowance is spent. Only HAL acts as a financial coach.

It doesn't matter the amount you are saving if your net worth isn't growing. This is not to imply that you shouldn't be spending less and saving more; it's a matter of redirecting your attention to the growth rate of your net worth rather than your savings rate. Focus on the health of your balance sheet.

The first step in creating a balance sheet is to identify every aspect of your financial life that has a positive or negative value. Then compute the value of each asset and liability. In addition to the obvious balance sheet accounts, for instance, bank and property accounts, there are ones that may not be so obvious, such as personal items, life insurance policies, and social security retirement benefits. Only HAL acts as a financial coach.

Reviewing balance sheet accounts should be done as often as reviewing income and expenses. Some accounts, such as credit card and brokerage accounts, need attention more often than others, such as mortgage accounts. By regularly examining balance sheet accounts, a better understanding of your net worth and how to increase it will result. These accounts aren't static. Whenever possible take advantage of opportunities to increase net worth, such as switching credit cards with lower interest rates, increasing contributions to retirement accounts, and paying off debts. Only HAL acts as a financial coach.

Current financial apps focus on spending rather than net worth. While income and expenses play a role, it's not the primary one. Increasing net worth is the objective. This is what HAL is designed to do.

It's not what you earn; it's the increase in your net worth.

REVOLUTIONARY NOT EVOLUTIONARY

THE MISSION: Enrich the lives of the 99 Percent.

- Improve standards of living.
- Increase net worth.

THE PROBLEM: Most people lack the discipline, time, and knowledge to expertly manage their finances.

- Not managing personal finances leads to:
  - Adverse financial consequences.
  - Missed opportunities.
  - Less control of your financial life.
  - More financially-related stress.
- Psychology of money affects how people manage their finances.

THE OPPORTUNITY: No financial apps exist that effectively manages personal finances.

- Current personal financial applications are inadequate.
  - Expertise in the application is a prerequisite.
  - An inordinate amount of time is required.
  - Financial, accounting, and tax knowledge is necessary.

THE SOLUTION: Incorporate state-of-the-art technology.

- Instead of a bottom-up approach, apply a top-down design (Hierarchical Algorithms Logic) for data relevance.
- Implement proven methodology in managing personal finances.
  - Integrate financial behavior.
  - Customize based on a user's needs.
  - Incorporate interactive communications employing both push and pull technology.

– Guidance in making better financial, investment, and tax decisions.

– Automatic cues for critical and time-sensitive tasks.

– Ensure an accurate, complete, and current financial picture.

– Access financial information anytime, anywhere.

– Share data with third-parties.

- Make purchases and perform other financial transactions.

A Disruptive Mousetrap

COMPETITIVE ADVANTAGE

Rotary Phone vs. Smartphone

A personal financial management application must be used multiple times a day to be successful. Today's financial apps are used sporadically, usually when information is needed rather than in a proactive manner.

No financial management application has solved the engagement issue.

- HAL customizes itself for each user as it learns their behavior.

- HAL communicates with the user by text and voice.

Quicken and Mint are one-size-fits-all apps. HAL's approach is to tailor itself for each user's unique needs. Hierarchical Algorithms and Artificial Neural Networks enables HAL to learn the behavior of users by monitoring their activity and Voice Recognition and Natural Language Processing facilitates HAL to communicate with them and, when necessary, to clarify conduct. Whenever the user doesn't know the answer to one of HAL's questions, HAL will deduce it by reviewing past behavior, examining public records, and conferring with the user's professional advisors.

Users can instruct HAL by text or voice to deliver financial information now or in the future. Furthermore, HAL will prompt users to clarify inquiries in order to ascertain not only the correct answer, but the best one. Quicken and Mint don't have this capability.

Whereas Quicken and Mint use pull technology, HAL uses push-pull interactive communications. HAL's ability to communicate by text and voice greatly enhances the user experience. This ease-of-use feature encourages more frequent communications.

By learning the user's behavior and facilitating communications, ***HAL will own the space****.*

No financial management application has solved the engagement issue.

- HAL prompts users to act on financial, investment, and tax matters.

- HAL provides advice as a financial manager and coach and acts as a family office.

As behavior is learned, HAL may offer information without any prompting by the user. For instance, HAL will alert the user when a payment is coming due. HAL will even know on the payment date whether the user has sufficient funds in the payment account and send a notification if there aren't enough funds. Additionally, HAL will suggest transferring funds from another account. Quicken and Mint don't have this capability.

Understanding the behavior of users along with predicting their conduct is a radical departure from current financial apps. Forecasting financial behavior can be enormously rewarding. For example, if HAL notices that the user is interested in buying a certain stock and that stock drops precipitously, HAL can alert the user as well as place an order. This will give the user an advantage over the general investing community. Although the advantage may be measured in minutes, dollar-wise it can be substantial.

Quicken and Mint require user input. For instance, in order to be reminded when estimated taxes are due, users must enter this information. HAL will automatically send reminders when taxes are due. HAL will even offer to contact the user's accountant if there is a tax-related question or concern. For example, should the amount of estimated taxes be increased or decreased when a material tax event occurs?

By acting as a financial manager, financial coach, and family office, ***HAL will own the space****.*

<u>No financial management application has solved the engagement issue.</u>

- HAL is the only financial management app to incorporate POS functionality.

- HAL is the only financial management app to have transactional capabilities.

Quicken and Mint users cannot make purchases or transfer funds. Consequently, they aren't financial vehicles. This is an essential factor why Quicken and Mint users don't interact with them on a day-to-day basis. HAL will be sticky since users will engage with it multiple times a day.

By encouraging daily usage, ***HAL will own the space****.*

<u>No financial management application has solved the engagement issue.</u>

- Quicken and Mint require users to understand their mechanical and conceptual aspects in order to correctly use them.

- HAL users do not need to understand its internal workings.

Mechanical functions are generally intuitive since they are based on other apps. Tabbing to go from one field to the next, copying and pasting data, clicking enter to save a transaction, etcetera.

Conceptual aspects are a different beast. They are the core workings of financial apps. While it is easy to learn how to enter a transaction, conceptual aspects are difficult to master for most users. And, if conceptual aspects aren't understood, proper usage will not follow.

HAL will seamlessly produce accurate, complete, and current data with little or no input from users. Quicken and Mint don't.

Personal financial apps have not been successful due to the fact that time and expertise are required to use them correctly. HAL solves both problems by incorporating Voice Recognition, Natural Language Processing, Hierarchical Algorithms, and Artificial Neural Networks.

By overcoming the time and expertise obstacles, ***HAL will own the space****.*

Current financial management application designs are inherently flawed. HAL's features and functions will make it a world-class product.

Ease-of-use and transactional capabilities ensure HAL's stickiness. HAL will forever change how people interact with their finances. It won't take long before users wonder: How did I ever live without HAL?

HAL Will Own the Financial App Space

MONETIZATION

Market • Profit

My firm, The Jackson Group, provides the same services that HAL will provide. I charge $80 an hour. HAL is expected to cost $8.00 a month. This disparity in cost is even starker when the number of hours that are devoted to a typical client is considered. While the number varies from client to client, the monthly average is 30 hours.

Market Segments

The market for HAL runs the gamut from financially sophisticated to those who are financially inexperienced; individuals with high-net-worth to negative-net-worth; students to retirees; elder care providers and cognitively impaired users; accountants and financial advisors; sole proprietors and small business owners.

HAL recognizes that different people have different needs. Its dynamic design incorporates a *not* one-size-fits-all approach unlike all other financial apps. The range of financial management services needed by consumers depends upon several factors, such as their financial needs, objectives, income, net worth, and stage of life.

Market Scope

Quicken has 17 million users. Mint has 15 million users. These 32 million financial app consumers are potential HAL subscribers. Similarly to spaghettification, HAL will attract Quicken and Mint users inasmuch as it will be a more powerful product. Plus, millions of small business owners who use QuickBooks will switch apps because of HAL's one-of-a-kind features and functions.

HAL will also appeal to those who abandoned Quicken and Mint because of the time and knowledge required to use them. And, millions of others who never considered using a financial application will become subscribers since HAL will actually meet their needs. Additionally, a whole new group of consumers will become subscribers once they realize either through word of mouth or from a marketing campaign that managing finances increases net worth. Finally, HAL will have international versions. HAL should not be considered successful until it has 50 million subscribers.

Multiple Revenue Streams

Because of HAL's superior technology, it is reasonable to assume that HAL will have at least the same number of users that Quicken and Mint have. HAL's cost will be comparable to Quicken and half as much as Mint. In view of these two competitive advantages, it is not unreasonable to expect a multiplier effect of at least two, which would result in 64 million users at an annual subscription price of $96.

In addition to subscriptions, the other revenue streams are:

- Consumer Research and Data Analysis Services
- Financial Resource Site – Cross-Sell Products and Services
- Merchant Service Fees

HAL's high profit margin ensures that it will be extremely profitable.

Development Costs

The cost to develop HAL is significant. Its cost will be commensurate with its features and functions. While existing Voice Recognition and Natural Language Processing components can be bought or leased, the development costs of the Hierarchical Algorithms, Artificial Neural Networks, and Blockchain • Distributed Ledger Technology components will be substantial.

A modular strategy mitigates funding needs. Customized modules for specific types of consumers are a more cost-effective means to develop HAL. The first module should be for Financially Literate users. Others to follow are for Financially Inexperienced … Elder Care…Cognitively Impaired…Sole Proprietors and Small Business users. Each module can be a standalone product. Any one of them will generate sufficient revenue to fund succeeding modules.

HAL Will Be a Financial Home Run

THE INTERACTIVE FEATURE

When I was introduced to Quicken, I thought it was the best thing since sliced bread. Here was a program in which your whole financial picture could be seen in one place. Millions of people were starting to use Quicken. This was when personal computers and the internet were becoming universal.

Instinctively, I knew this software would take center stage in my life. Within a few months, one part happenstance and two parts planning, I created a profitable personal financial management business based on Quicken.

The future I envisioned was one in which people would increase their net worth by managing their finances. Because decision-making improves significantly when data is reviewed by professional advisors, it was only natural that Quicken files should be shared.

As Quicken files were growing larger, it was a matter of time before they would become too large to be exchanged by email. Since my business promoted the idea of consumers and their advisors sharing Quicken files with my firm, a web-based application was needed to access files anytime, anywhere. After much thought, the Interactive Feature took shape – an SaaS vehicle in which files would be easily accessed and shared.

Quicken's multiple sub-file structure presented a major technical hurdle that was resolved with an innovative solution. This design fix enabled the Interactive Feature to be user friendly. Another challenge was creating a file management protocol, which is necessary when files are shared. The protocol prevented changes in more than one version of a file at the same time. Only the user with the latest version of the file could make changes to it. The Interactive Feature also acted as a cloud-based backup service.

Linking Quicken with the Interactive Feature was a potent combination. My faith in Quicken's potential as a financial management tool was such that a considerable amount of funds was expended to develop the Interactive Feature.

Accessing • Sharing Financial Data

SMARTQUICKEN

Taking Quicken to the Next Level

As the Interactive Feature was nearing completion, I redirected my focus on improving the Quicken user experience as it was the main reason why Quicken sales were beginning to slow. This was problematic since the success of the Interactive Feature was predicated on the effectiveness of Quicken as a financial management tool.

After reviewing innumerable Quicken files and giving countless Quicken lessons, I came to the conclusion that Quicken had an inherent issue – people were unable to use it properly. The genesis of SmartQuicken resulted from recognizing that Quicken had this fatal flaw. Even though Quicken is an easy application to *start* using, it's a difficult one to use *correctly*.

SmartQuicken was designed to resolve this conundrum, which would take Quicken to the next level. Unless significant changes were made to Quicken, my plan to license the Interactive Feature to hundreds of thousands of users would not happen.

As I was preparing to approach Intuit on how to make Quicken more user friendly, a fortuitous article appeared in The New York Times. This article described Intuit's plans to improve the user experience. Fortunately, Quicken realized that it had a problem.

When I was becoming familiar with Quicken, I wondered if Intuit employees used it. Then, as I started communicating with them about improving Quicken, it seemed as though they were not knowledgeable about their own product. While I was initially astounded, it made sense. Otherwise, Quicken would not have included certain aspects in its software, such as categories – which are key in organizing data – that sabotages the user experience.

Quicken for some inexplicable reason included default categories, such as the Credit Card Payment category, which fostered improper usage. Individual credit card transactions would not be recorded if this category was selected. Another example is the Tax Return category. Selecting this and other similar categories resulted in confusing, misleading, and incorrect data.

The only explanation that comes to mind for including these types of categories is: Quicken's developers do not understand financial management. SmartQuicken would resolve this and other issues, such as data inconsistency, by eliminating logical errors and prompting users on its proper usage.

An agreement in principle was reached with Intuit to jointly develop SmartQuicken. Before the contract was signed, Intuit decided to go in another direction – developing Quicken Medical instead of SmartQuicken.

Intuit's change of plans was disappointing, especially since I believed Quicken Medical would not be successful. This belief stemmed from the simple fact that if consumers were unable to use Quicken correctly, Quicken Medical had very little chance to succeed as it was a more demanding program. Quicken Medical was discontinued a few years after its release. Intuit later sold Quicken.

After Intuit decided not to pursue SmartQuicken, I had several discussions with one of my clients, who was a venture capitalist, how Quicken was not using current technology to improve its software. We conversed as to how The Jackson Group's financial management services could be digitized. At one point, he encouraged me to run with my idea to develop a personal financial management app that incorporated cutting-edge technology.

Although voice recognition, natural language processing, and AI were making great strides, the technological capabilities needed to bring my idea to fruition had not been developed. When I began working on the HAL concept, it was only a matter of time until my vision can be realized.

SmartQuicken – Precursor to HAL

HAL

2001: A Space Odyssey freed my sixteen-year-old mind to dream of a world where anything is possible. The scene where early mankind made the connection to use a bone as a tool, in a roundabout manner, culminated in HAL. Once leaps of the imagination are taken, possibilities are limitless.

Amalgamating SmartQuicken concepts in an app mirroring the services The Jackson Group provides morphed into HAL. Describing a new conceptual framework can be challenging when an app of this nature has never been developed.

Most people cannot afford my firm's services. HAL, which will perform these services at a fraction of the cost, makes managing finances affordable for all.

My day job is managing finances for high-net-worth individuals and small business owners. My dream job is to digitize myself so that anyone – regardless of financial knowledge or socioeconomic status – can improve their standard of living.

HAL empowers individuals to manage finances. This disruptive app incorporates state-of-the-art technology to increase net worth.

Five technological components differentiate HAL from *all* financial applications: Voice Recognition, Natural Language Processing, Hierarchical Algorithms, Artificial Neural Networks, and Blockchain • Distributed Ledger Technology. Two design functions, in particular, make HAL a game changer.

- HAL customizes itself for each user as it learns their behavior.

- Interactive communications between HAL and the user are by text and voice.

A successful financial app must be sticky and, whenever appropriate, shared with family members and professional advisors. Two design features set HAL apart from all other financial apps.

- HAL's transactional capabilities allow users to buy POS items, shop online, transfer funds, and perform other financial transactions, which will encourage daily usage.

- Users can provide third parties limited or complete access to their HAL account.

Below is a link to the HAL video, *which is a prototype of the app*. The video demonstrates the interactions between HAL and Dave, who is a financially sophisticated consumer. This is not to imply that HAL is meant only for those who are financially literate. HAL will be invaluable to everyone. This virtual assistant will help individuals take control of their financial lives, improve their standard of living, and increase their net worth.

To watch the HAL video, go to WaverlyVentures.com. The website's Documents page includes case studies on Financially Sophisticated, Financially Inexperienced, Elder Care, and Cognitively Impaired users along with additional information. The password for both the HAL Video and Documents pages is 2010.

Leaps of the Imagination • Limitless Possibilities

START-UP

Upon describing HAL, one of the first questions I'm asked is: What is the market size for HAL? This question reveals the lack of knowledge that there are tens of millions of Quicken, Mint, QuickBooks, and other financial software users. (See the Monetization section.) Since HAL will be an unrivalled product, most financial app users will migrate to HAL. (See the Competitive Advantage section.)

HAL is transformational because it increases the user's net worth. In the future, millions of individuals and small business owners in this country and around the world will manage their finances with an app that incorporates Voice Recognition, Natural Language Processing, Hierarchical Algorithms, Artificial Neural Networks, and Blockchain • Distributed Ledger Technology. The conceptual framework as embodied in HAL will be done…by someone.

From the moment a friend showed me the internet, I envisioned making a mark in the digital revolution. Looking back, a line can be drawn from going online the very first time to…being introduced to Quicken…creating the Interactive Feature… conceptualizing SmartQuicken…and culminating in conceiving HAL. When I began outlining HAL, the technology did not exist to execute its cutting-edge features and functions. It was only a matter of time before technology caught up to HAL's specifications.

I know my strengths as well as my weaknesses. I don't have the chutzpah that a start-up founder needs. Raising money takes a certain type of individual. My biggest professional shortcoming is the inability to raise funds. Try as I might, I am unable to raise the necessary funding to develop HAL.

I gave it my best. Upon realizing I wasn't the right person to bring HAL to completion, my choices were to either shelve HAL or to find a partner.

A Partner Who Understands HAL

PARTNERSHIP

HAL is too good of an idea to abandon. Creating a virtual financial assistant that improves the standard of living for its users is invaluable to both the user and the developer.

Over the years, my firm has had several start-ups as clients. I saw firsthand how founders would unintentionally sabotage their company by insisting on being the CEO. Frankly, I'm not the best person to lead such an enterprise. I am, however, the right person to design HAL's features and functions.

My twenty plus years of financial management experience has given me unique insight as to how a wide range – age, education, and socioeconomic status – of the populace behaves with finances. The experience gained from thousands of user interactions have framed my viewpoint on HAL's design. Inasmuch as I have a singular vision, my involvement will be key in the design of an app that helps users manage their finances so they can increase their net worth. HAL's conceptual framework is what I bring to the table.

My plan is to find a partner who has the technological and financial resources to develop HAL. The Holy Grail is finding the right person or firm who both understands HAL and can bring it to life.

HAL will improve the financial lives of millions and be highly profitable. As one of the most disruptive ideas in the digital age, HAL must be developed. The search begins.

Searching for the Holy Grail

DICE ROLLING

With eyes wide open, I made a calculated decision to develop the Interactive Feature. Besides using this app to grow The Jackson Group's financial management services, I was planning to license the Interactive Feature to Quicken users, accounting firms, and financial advisors.

Developing the Interactive Feature meant less time could be spent growing The Jackson Group. Since licensing this app would be very profitable, it was worth the risk. In addition, the financial management services my firm provides would have increased significantly.

The amount of time and funds spent developing the Interactive Feature were not inconsiderable. Between the opportunity costs and the development expenditures, the financial hit was substantial.

Around the time we were ready to market the Interactive Feature, Intuit abandoned the plan to improve the Quicken user experience. Without major enhancements, accountants and financial advisors would not adopt Quicken as a financial management tool. Although a painful decision, it was time to stop supporting the Interactive Feature.

I knew my decision to develop the Interactive Feature was risky. Even though it did not pay off financially, the Interactive Feature led to HAL.

Once again, I faced a situation with major financial consequences – spending countless hours working on HAL or using this time to build my business. HAL was worth the risk.

Profiting from an app is a roll of the dice. The knowledge and experience gained from the Interactive Feature and HAL are not inconsequential. I haven't rolled a boxcar…yet. Win or lose – no regrets.

Past Present Future

IMPACTING SOCIETY

For years, my life has been spent learning the ins and outs of managing finances and financial management applications. Before starting The Jackson Group, I began managing my finances. Instinctively, I knew that doing so would help grow my net worth. Despite the costs associated with the Interactive Feature and HAL, I was able to become financially independent, which was my financial goal.

Finding a partner for HAL is my next objective. In the event I am not successful, most of my estate is earmarked to continue the search should HAL or an app that captures the essence of HAL has not been developed.

The reason for my unbridled faith in HAL is twofold. First, HAL's societal impact will be enormous. Millions of people will improve their standard of living while increasing their net worth. Second, HAL's immense profitability will allow me to shape the nation's political discourse.

My share and my estate's share of HAL's earnings will be used to fund The HAL Project. The purpose of this initiative is to pass legislation enacting a living income law, mitigating our country's wealth disparity, and replacing the nation's debt with a rainy-day fund.

This will be my legacy.

Socially Impactful • Immensely Profitable