



White Paper

business opportunities with HotSpotSystem.com's Wi-Fi Hotspot System

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1. COMPANY OVERVIEW

HotSpot System LTD. (Company Reg#: 0109883187, EU Tax ID: HU13983981) is the hot-spot division of Interpest LTD. which was established in 1996. After 10 years of experience in domain name registration and hosting, and over 5 years of experience in Wi-Fi technology, hardware and installation, a hotspot division was formed in 2005 to provide professional wireless hotspot solutions for those individuals and companies who would like to start their own hotspot service.

Currently we have operators from all over the world, including USA, Australia, New Zealand and UK, just to name a few. The full list consists of more than 50 countries.

We have developed one of the most flexible and versatile system in the industry to have an ideal solution for our business partners who would like to start their own hotspot business to provide wireless hotspot solutions for their local partners.

2. TECHNICAL BACKGROUND

The core of the system is running on multiple IBM x3400 servers. Each servers have Dual-core Intel Xeon MP processors, hot-swap power supplies and hot-swap SAS hard disks subsystem using RAID to increase redundancy and system stability. These servers provide the background for our web, database and radius servers.

Servers are hosted by T-Online in Hungary's largest business data center, located in Budapest. We also have servers in Singapore and Denmark. They get 40 GBps of national and 6 GBps of international bandwidth with 24/7 monitoring and continuous backups.



3. FINANCIAL BACKGROUND

We are using multiple payment processors to provide a payment by credit card option for hotspot users. Our primary payment processor is [RBS WorldPay](#), a division of the [Royal Bank of Scotland Group](#), which is the largest banking group in Scotland, the second largest in the UK and Europe, and the fifth largest in the world by market capitalization. It is the 14th largest company in the world according to [Forbes Global 2000](#) rankings. Worldpay first provided internet payment services in 1994, making it one of the first providers of such services in the world.

They charge users in the most simplest way - users have to enter their credit card information on their secure payment page.

Our secondary payment processor is [PayPal](#) which is optional. PayPal will make payments easier if the user has a PayPal account.

This combination provides the most effective way to charge end users. While most hotspot companies are using PayPal only for credit card transactions, we have learned that PayPal cannot provide a complete solution for hotspot operators, because of their strict regulations. After we implemented RBS WorldPay as a payment solution we noticed a 30% increase in HotSpot sales.

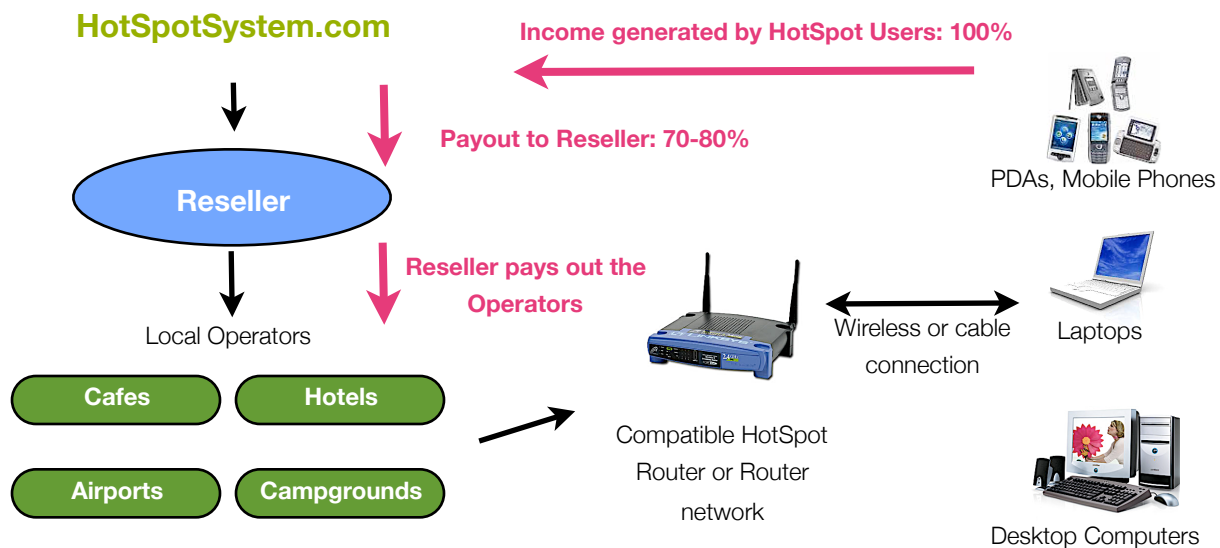
Please visit our [knowledgebase article](#) for more information.

4. BUSINESS OPPORTUNITIES

We have created two business models for our business partners.

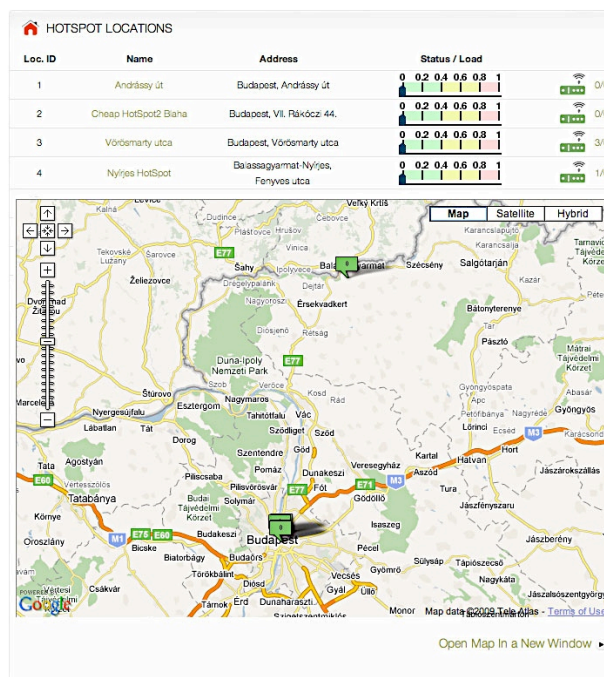
Wholesale Dealers / Resellers

You, as a wholesale dealer can provide wireless solutions to your local operators. Let's say these locations are not your own hotels, cafes, etc. but you wish to provide Wi-Fi internet connection there. In this case you can make a special agreement with the owners and can split the income with the place because you provide the router, support or the internet connection too. **We pay you 70-80% of the end user income**, depending on the sales volume you can generate with all of your locations (our commission includes the fees of credit card transactions too!). We pay you out monthly, then you'll pay out your clients. **It is up to you how you share this amount with your clients.** You can set up different business models, for example you can provide installation for a client and give them 50% and keep 20%. Or you can give them the router for free and keep all the income. There are several business models that can work with your business.



How does it work?

After registering in our system, you can add unlimited locations and follow all transactions from a centralized web interface.



All information of a location can be customized, you can create different access packages with different pricing, even in different currencies, upload a custom logo, etc. You can change this information any time remotely with just a few clicks. You can use a global pricing scheme or you can set up different pricing at each location.

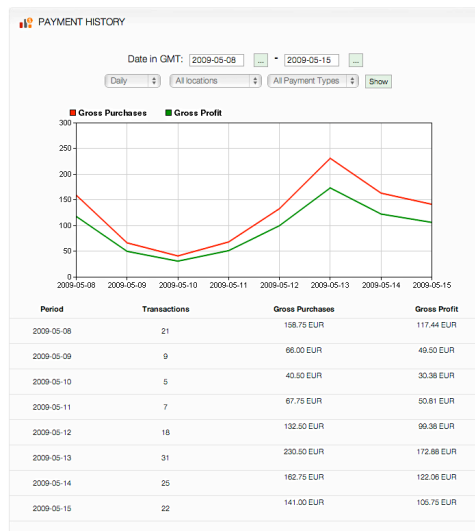
Secondary Operators

You can create and provide an account to the owner or an administrative person of a location, that we called 'secondary operator'. This operator can log in and see basic information like transactions and customers details so he can follow all activity. He/she will only

see information regarding those locations only that you add the rights for, so he/she won't be able to access your other location's data.

Reporting

After we pay you out for all locations, you can create powerful reports so you can pay out your clients. You can also export all transaction's details in a csv format to create your own custom report.



Router Alert

With our Router Alert feature you can get e-mail alerts if a particular router is down or if the service is not operational so you can provide support immediately for the client.



Ordering Pre-Paid Vouchers for particular locations

You - as a reseller - have to supply the Pre-Paid Vouchers of your locations (in case the location wants to sell Pre-Paid Vouchers). You can order the Pre-Paid cards directly from the Wi-Fi shop, then we'll send you the codes via e-mail. You can then print the cards and give it to the location's owners. You can follow how many Pre-Paid cards left at each location so you can order the next batch in time.

Customization, branding

All the pages that the end user see can be fully customized. If you'd like to change basic information or logo, you can easily do this via the management interface.

If you want to customize pages further and give users a unique experience, you can do this by using our powerful Skin system where all pages can be customized further. Skins are standard HTML files which contain special system tags (dynamic system messages and language tags) so they can easily be edited. If you'd like to add a new language for the system you'll only have to edit the language files which are normal text files, so no HTML editing is required.

Furthermore you can even have your own branding so you can 'sell' the system as it was your own. You can remove our domain name from every pages and use your own domain name. We still host the files, you just need to modify your DNS zone record and redirect your name to our server.

Please note that on the payment page and the users credit card statements our company name may appear as HotSpot System or HotSpot System Ltd. (but the domain name will be never visible). It is also possible to use your own merchant account, read below.)



Using your own merchant account

If you wish to use your own RBS WorldPay or PayPal merchant account, it is possible however there are some restrictions that you have to follow, like configuring and setting up Instant Payment Notification. Please contact us for further information.

Creating free hotspot locations

If you wish to set up free hotspot locations where end users don't have to pay for the internet access, but they receive their own access codes, you can easily do that. In this case you'll have to pay a monthly fee of a HotSpot FREE service for us. You can then charge your client a monthly fee too (we don't require you to ask the same amount from the client as you may provide additional services for them, so you can ask more and keep the margin). Actual prices of our HotSpot FREE services can be found on our website.

Support for Operators

Because you're the one who contracted with the operators, you'll have to provide the support for them. We will do the support for you of course, so if you have problems or questions that you cannot answer, we will help. But you'll have to contact the operators and operators will contact you directly if they have problems.

Support for hotspot users

End user support will be done by both of us. End users will see the location's details and contacts first, so you'll have to provide a customer service number or email where users can contact you or the operator directly if they have local problems, like joining to the network, signal problems, etc.



We are also providing an online form for them where they can contact us directly if they have problems regarding the system itself, for example they forgot their passwords, paid twice accidentally or want a refund.

How to start?

We strongly recommend to do a test install to get familiar with the system. Because the technical background is the same when signing up as a regular operator (multiple location is allowed for standard operators too), you have to sign up on the same page at <http://www.hotspotsystem.com/en/signup/index.html>

Choose HotSpot PRO, then register your first location (you can register a test location that you can modify later when you'll have the first real location).

More features

If you would like to know how you can manage your hotspots in a detailed form, please download our [Operator Guide](#).



Affiliates

Affiliates can earn money with our system by referring operators / locations who'll set up their own hotspot. Our affiliate system is designed for web site owners mainly who can provide a link with a special affiliate code so we can track where users came from.

If you, as an affiliate redirect a possible operator from your website to our website, we'll record that this user came from you. You'll earn money after each successful transactions that is coming from this operator. This can be an internet access purchase from a guest, a HotSpot Free subscription or a Pre-Paid card purchase by the operator.

You will earn 20% of all of our income that was generated by that location. So if the operator sells an access for 10 USD, our company will get 3 USD (based on a 70-30% split), so you'll get 20% of 3 USD from that transaction. If the operator subscribes to a HotSpot Free service, you'll receive 20% of the monthly fees that the operator has to pay for us.

While this model is used mainly by website owners, it is possible to become an affiliate and bring users to our system via the regular way (by visiting the locations and have them contracted with us).

Affiliates will get an access to the web based affiliate area where they can follow all transactions that was generated by their affiliated locations.

Pricing

Service	Cost
Wholesale Dealer/Reseller Setup	FREE
Affiliate Setup	FREE
Monthly fees for paid hotspot locations	- (transaction fees only)
Monthly fees for free hotspot locations	Actual prices of HotSpot FREE subscriptions
Basic Customization (Unique HotSpot information and logo)	FREE
Adding a new language	FREE
White Label Setup (includes support for template customization)	250 USD
Using a currency that is not supported by default	50 USD

For more information please visit our [HelpDesk](#).