


 FAMILY OFFICE INSIGHTS
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Peer Insights

R E P O R T

Q&A with Oscar Garcia

CEO & Founder of Uulala, Inc.

Principle Series:

Please join Family Office Insights for this luncheon on Wednesday, May 16th 2018 at 12PM. If you care to join us, please email admin@familyofficeinsights.com.

Family Office Insights sits down with Oscar Garcia, CEO & Founder of Uulala to discuss it's App, a financial solutions platform that provides the underbanked population – currently targeted towards the Latino Market – so that they can have access to the financial inclusion tools they need in order to change their future at an affordable rate.



Family Office Insights is a voluntary, “opt-in” collaborative peer-to-peer community of single family offices, qualified investors and institutional investors. If you care to learn more, and perhaps join the community, you are welcome to visit us here at FamilyOfficeInsights.com.

Q: Tell us about your background and your company, Uulala, Inc.

A: I have been an entrepreneur since the age of 18. I stumbled upon entrepreneurship after I suffering a head injury in 1992 while training to be a US Olympic diver. After that accident, a friend introduced me to a businessman and mentor who also happened to be the founder of the fastest growing company listed in Inc. 500 for 1993,1994, and 1995. I worked under him and saw him build a business from start to finish, and I felt empowered by that experience.

In 1996, I saw a gif on an Internet browser and I got excited. I started learning about software, coding, and web development after seeing that little graphic. My career went from business, to marketing, sales, design, animation, and coding. Since 1997, I started programming and creating web applications for hundreds of startups.

Uulala started coming together about 4 years ago. I worked with the former Head of the Small Business Administrator of the US under George W Bushes Administration, and educated along side former Republican presidential candidate, Mitt Romney, in engaging the Latino community to embrace change and drive business in the merchant service industry. I found that you have to talk to and treat the community right, but I also found some mistakes in the process. Instead of working for someone else to try to solve the problem – when they might not know the culture like I do – I realized that I should tackle this head on. I found that Latin businesses do not go over a million dollars because they don't have the credit line for it. Uulala looks into these fundamental problems to address the issues faced by this community: 1) their difficulty of loading cash into a mobile platform, and 2) creating micro credit for themselves. The name stands for Universal Utility Loading Application and Lending Apparatus, so the acronym worked out well. Since “oolala” in colloquial terms reflects a refreshing and novel feeling, we thought this was a fun and fitting name for our platform.

The first phase of Uulala is to get as many people as possible to become walking bank tellers in order to help others get banked. The user will be paying someone who is vetted on our app, to help them use it and top up their accounts. For example, if you wanted to deposit a \$100 into your Uulala account, you would give the \$100 to a vetted individual – like you would to a neighbor or friend. That individual would already have \$100 in their account so they would then transfer \$100 to your account, while showing you how to use the app. This interaction is way more personal and easy going than giving an institution your money with fees tacked on. In this scenario, both parties earn points like a game, which is mutually beneficial.

For safety and security reasons, we don't accept amounts over \$300 with this process, but for amounts over \$300, the Uulala app will show partner institutional locations like Walgreens, banks, and convenience stores that are suited to this transaction. If you need to cash a check however, you can do this on our app. The Latino consumer will also have the option to go to an ATM to withdraw money with your Visa or MasterCard, but there they'll have to pay the institution's fees. They will also have the flexibility to move their money to a different bank account, but if they keep their money with our system, then they'll be able to build their credit line with credit-worthy activities like paying bills. These micro transactions benefit their micro credit line, which is great for the consumer.

We are following the NyQuil approach. In the heavily penetrated cold medicine market, they came in and positioned themselves as the nighttime formula, automatically making everyone else the daytime formula. Then later, they came out with a daytime formula too. We are the nighttime formula and the global

solution for the unbanked in this demographic.

Q: Who is your target audience?

A: I am a son of a Latino immigrant, so my target is people like my mom. I watched her work very hard, and even as a US citizen, she still feels unconfident walking into a financial institution because she is going to be intimidated or judged. People like my mom make up 55% of the population in the US. This population goes to check-cashing centers and accepts the fees for every transaction because they are unbanked and unwelcomed; those fees can be up to \$25 for a \$300 check, which is a lot of money. There's a saying that being poor is expensive, and my answer is that it doesn't have to be. If charging the poorest of our culture is the means of getting wealth, then I'm against it. When you fee this demographic the 7% to cash a check, wire money to families, or pay bills, you take eggs, bread, and milk off their tables. With Uulala, instead of cashing your check the old way, you can load money onto our app with no fees, and instead of charging you to pay your bills, we will revenue share with you, where these will become credit-worthy activities, thus increasing your micro credit line.

Our target market includes 55% of the unbanked Latinos in the US, but also the 70% of the unbanked Latinos outside the US. The banking industry gains \$7T from transaction fees. It's a major market and that's a lot of money that the banks earn from the most vulnerable. We believe that if there's more money in the hands of the consumers then they will be able to create more and have more.

The barriers for this target audience lie in respecting and providing customer services. My mom hated standing in line at the bank, feeling intimidated, and ultimately being turned away because she wasn't making enough. Years of this type of treatment build animosity and hate, so the emotional resentment lingers on to each generation. The misconception is that this market doesn't have money, but the reality is, they have a lot of cash and simply don't trust institutions with it. We need to change the psychological barrier as much as we change the fee barrier.

Q: What are some of the challenges you face in this market?

A: It's going to be an educational challenge. Many think that this demographic is not tech-savvy, but I beg to differ. This demographic has bypassed the laptop and jumped straight into mobile phones. We believe that if you incentivize someone like a game by earning x amount of dollars towards building a credit line, then that's engaging. I proved this to be true with my test case 4 years ago that if you pay business owners cash to teach this demographic how to use the app, then they will do it without a doubt. This test pilot earned \$60M in revenue in 9 months, so it proved to be true.

The industry fragments what it offers, which makes it a slight barrier. If your phone can make a call, check e-mails, download music, and take photos, then through osmosis all the merging of these technologies is the solution. There should be an app where you can pay your utility bill, deposit money, and transfer money. This is what no one is doing and why not? Because of the rules and regulations in the industry, but we want to be the platform that goes after it.

Q: How are you different from your key competitors? Who are your key competitors?

A: If you look at the blockchain world, there are key individuals out there, but they're too far out to develop their technology. There are a lot of competitors out there that go after people who are banked or have cryptocurrency. The unbanked have no interest in cryptocurrency since the most pressing issue is that they are excluded from this community. When we look at competitors, there are handfuls in the blockchain world. All the competitors are focused in areas like India, China, and Europe because it's simply a bigger market. No one is going after the Latino market, so we can dominate this space the best as we have the context, technology, and understand the culture.

Q: How are you changing the landscape of your industry?

A: The biggest thing we are doing is that we are reaching individuals that people are ignoring. One of the biggest things is awareness. Just because a Latino is a busboy or waiter, that doesn't mean he doesn't have money. If you put thousands of busboys together, it's a movement, and if you put a million of them together, you have a country. If you put all the Latinos in the US together, you would have the population of the 7th largest country in the world. It's very important to bring awareness to these facts, and volumes of people with an un-served need, instead of putting mental barriers.

Q: How much are you looking to raise and who is your ideal investor?

A: We have already hit our soft cap of \$10M, and are finalizing the last \$30M of our raise. We don't believe there's a need for us to oversubscribe at this time, but if we can justify it, then yes. We will be using the \$30M for micro lending and potentially partnering with banking institutions like GreenDot.

We already have some ideal investors on board. One of them is a family office that owns 100 insurance locations that deal with our demographic. We think the ideal investor is someone who understands the culture and respects the money this demographic touches. They not only have the capital means, but also businesses that can utilize our product and roll it out to customers. People tend to invest money to see if things will work out for them, but for us, investors should believe in the mission and the cause first.

Q: What's your mission?

A: If this overlooked demographic stops buying things, the biggest companies would go out of business. We need to give respect to a culture that is actually an economic giant. The mission is to give back to people like my mom. My mom worked for 40 years, paid taxes, and still feels disrespected in the US. I never want to hear anyone say those words again. I want them to know that their tax money is appreciated and respected. My mission is to empower them.

Q: What's next for you?

A: Customer acquisition is next for any company. We are doing this simultaneously as we do the final leg of fundraising. If you look at our white paper, the growth hack here is the partnership with technology companies in the insurance and direct sales industry. They will hit hundreds of millions of potential customers. We had a very successful convention in Palm Springs where thousands of insurance company owners with 10-20 branches each attended. We signed 30 of these companies to be beta testers with whom we'll roll out our technology.

We are also partnering with a human resources company that deals with 700 retail locations, where on average, each location touches 500 customers a month, a huge reach for our product. We are also working with a technology company with a CRM system who is looking to deploy our product alongside their CRM, which is very exciting.



For the past 20 years as an entrepreneur, Mr. Garcia has built companies, and accelerated the growth of small businesses. As the CEO of Uulala; a financial technology company focused on bringing millions of unbanked users into the formal economy, Oscar's passion for social impact will be global. Mr. Garcia started his career trying to become a US Olympic diver when he was 18. Before the Olympic trials he had an unfortunate injury and transitioned from competitive athletics to business. At age 18, Mr. Garcia was mentored by the founder of the fastest growing company listed in Inc 500 for 1993, 1994 and 1995. He started programming and creating web applications in 1997 and helped 100's of startups launch their companies. He created state of the art presentation technology for Ford Motor dealerships that increased the dealer chains income by \$1 million per month per dealership. In 2014, Mr. Garcia was the VP of global sales of merchant services technology company that produced \$60 million in revenue in the first 9 months in business. As CEO of Uulala, he has assembled an amazing team of diverse executives many whom are of Latino descent, secured financial services and distribution partnerships all while raising millions from crowdfunding. In April 2018, the Uulala begins boarding customers for their Spanish and English financial services platform and mobile app; a sophisticated technology platform to empower millions of users and small businesses. Mr. Garcia is driven by a insatiable desire to solve important problems through technology. Uulala, with its blockchain technology to empower a culture through financial inclusion and transparency, is the future of banking.

If you have any questions, please contact Oscar at og@uulala.io.



“Working with family office investors is rapidly becoming a relevant strategy for accessing investment capital from the ultra-wealthy and their investment offices.”

Arthur Andrew Bavelas