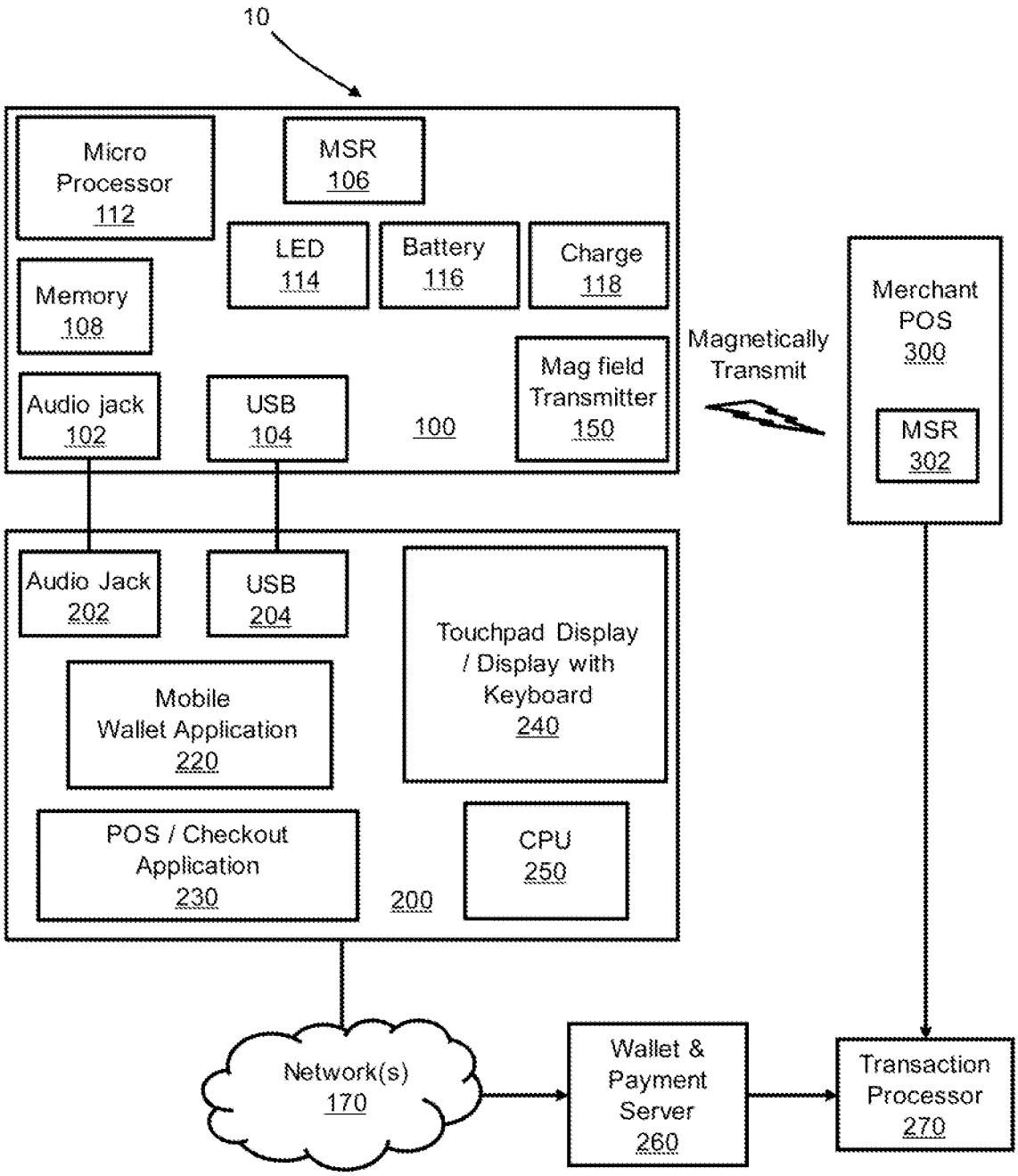

10
Micro Processor 112
MSR 106
LED 114
Battery 116
Charge 118
Memory 108
Audio jack 102
USB 104
100
Mag field Transmitter 150
Magnetically Transmit
Merchant POS 300
MSR 302
Audio Jack 202
USB 204
Touchpad Display / Display with Keyboard 240
Mobile Wallet Application 220
POS / Checkout Application 230
CPU 250
200
Network(s) 170
Wallet & Payment Server 260
Transaction Processor 270

FIG. 1

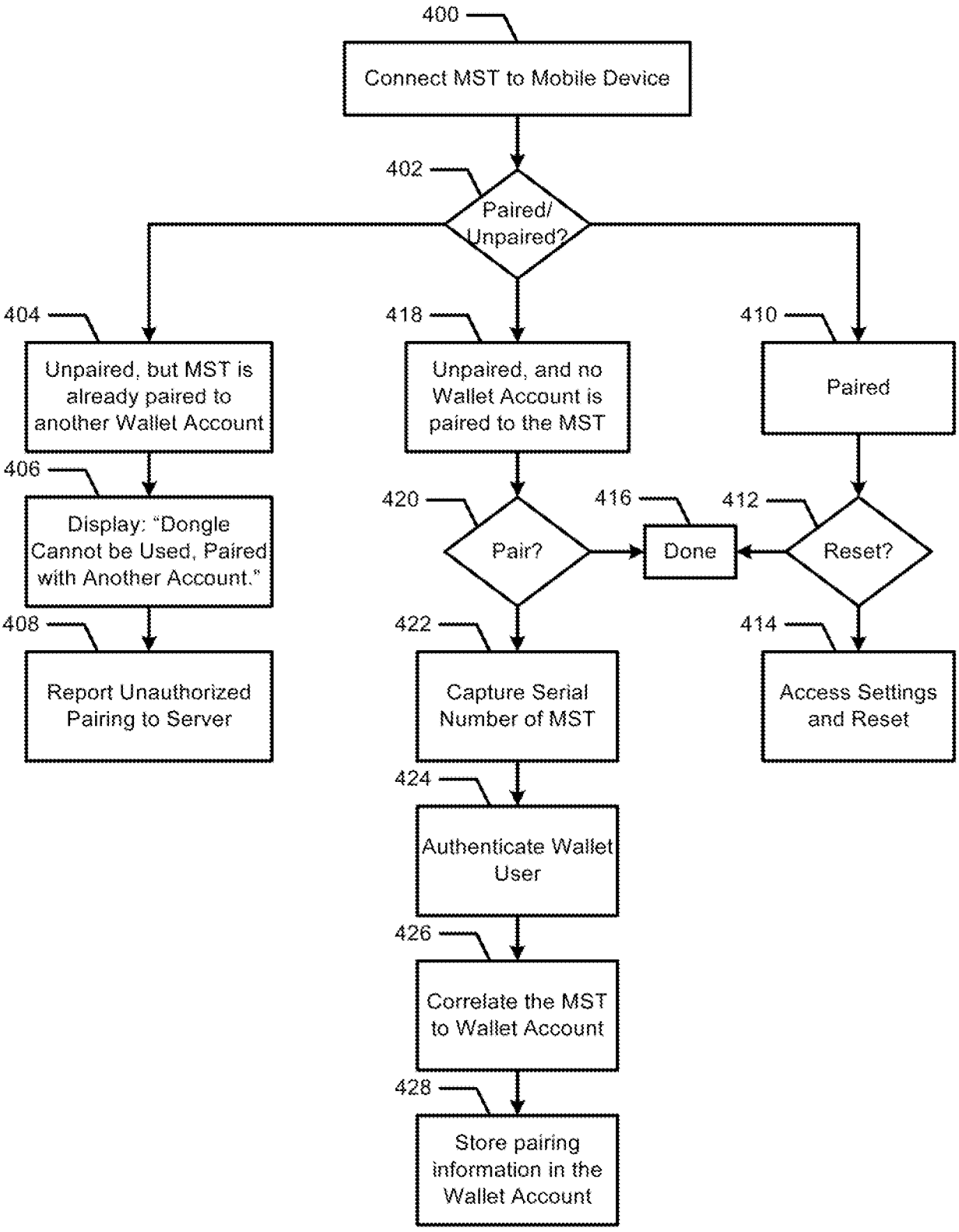

400
Connect MST to Mobile Device
402
Paired/ Unpaired?
404
Unpaired, but MST is already paired to another Wallet Account
406
Display: "Dongle Cannot be Used, Paired with Another Account."
408
Report Unauthorized Pairing to Server
418
Unpaired, and no Wallet Account is paired to the MST
420
Pair?
416
Done
422
Capture Serial Number of MST
424
Authenticate Wallet User
426
Correlate the MST to Wallet Account
428
Store pairing information in the Wallet Account
410
Paired
412
Reset?
414
Access Settings and Reset

FIG. 2

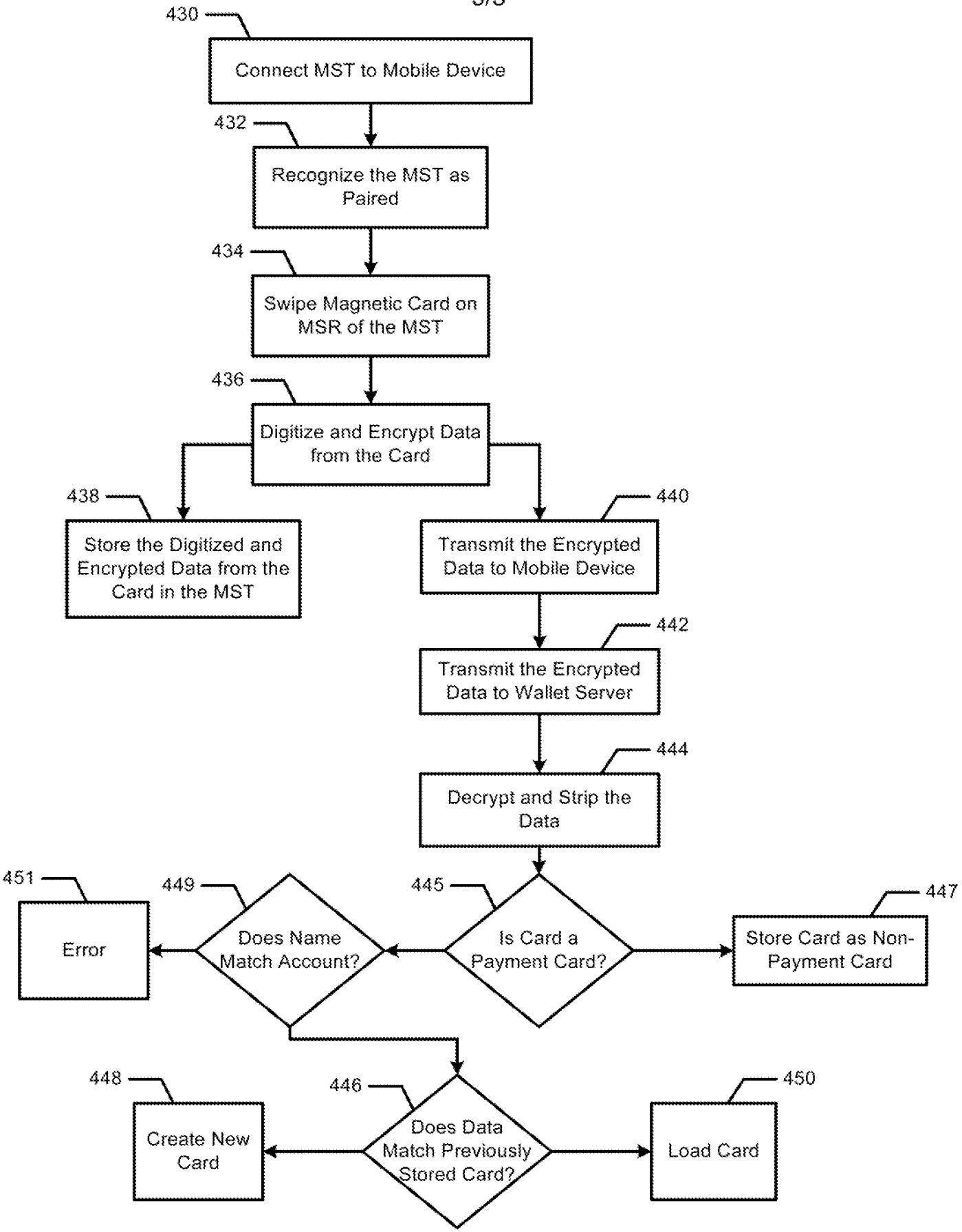

430
Connect MST to Mobile Device
432
Recognize the MST as Paired
434
Swipe Magnetic Card on MSR of the MST
436
Digitize and Encrypt Data from the Card
438
Store the Digitized and Encrypted Data from the Card in the MST
440
Transmit the Encrypted Data to Mobile Device
442
Transmit the Encrypted Data to Wallet Server
444
Decrypt and Strip the Data
445
Is Card a Payment Card?
447
Store Card as Non-Payment Card
449
Does Name Match Account?
451
Error
446
Does Data Match Previously Stored Card?
448
Create New Card
450
Load Card

FIG. 3

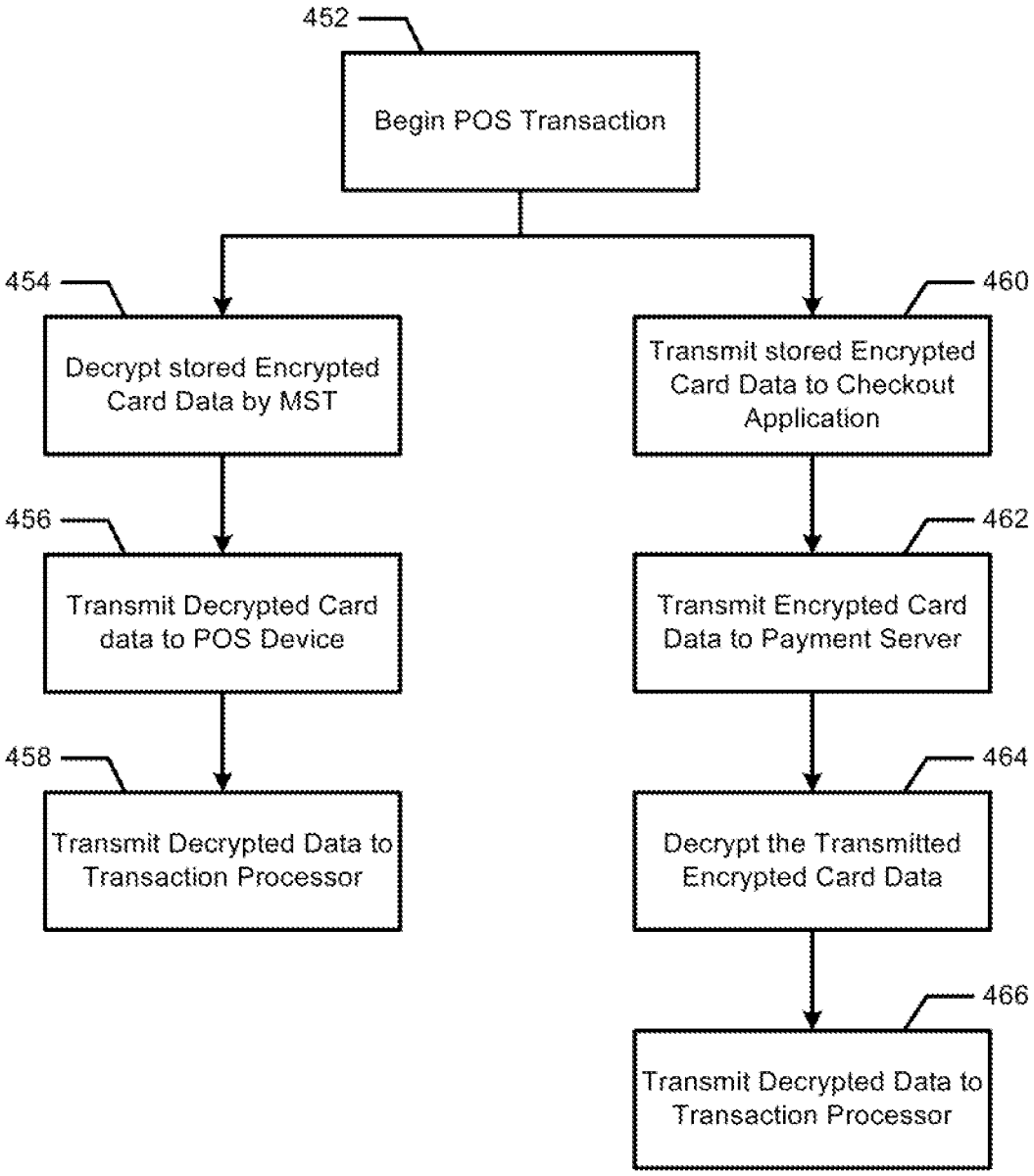

452
Begin POS Transaction
454
Decrypt stored Encrypted Card Data by MST
456
Transmit Decrypted Card data to POS Device
458
Transmit Decrypted Data to Transaction Processor
460
Transmit stored Encrypted Card Data to Checkout Application
462
Transmit Encrypted Card Data to Payment Server
464
Decrypt the Transmitted Encrypted Card Data
466
Transmit Decrypted Data to Transaction Processor

FIG. 4

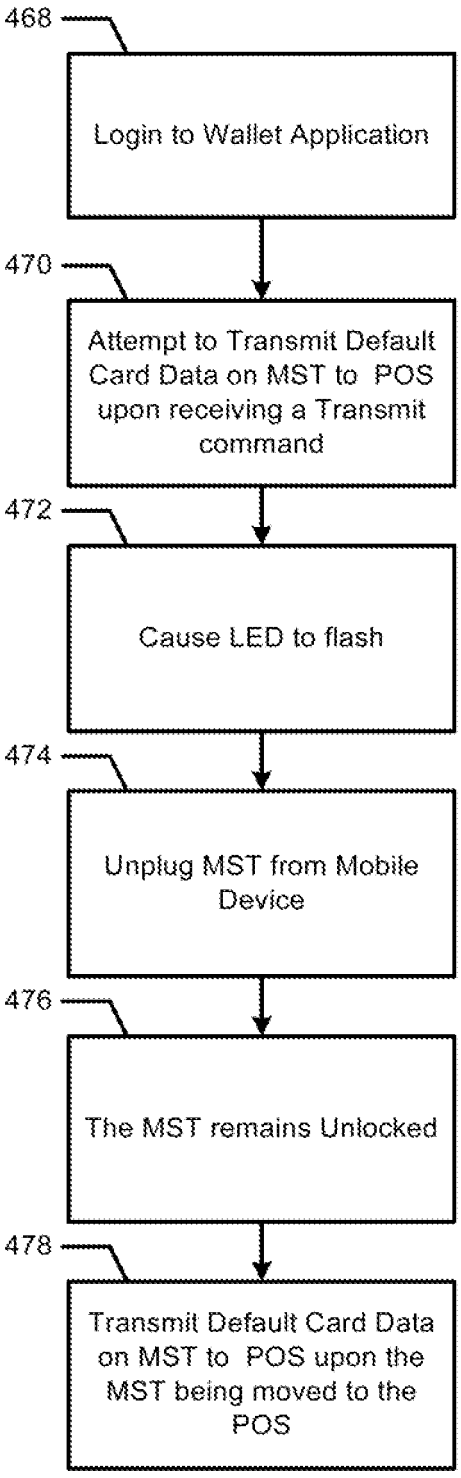

468
Login to Wallet Application
470
Attempt to Transmit Default Card Data on MST to POS upon receiving a Transmit command
472
Cause LED to flash
474
Unplug MST from Mobile Device
476
The MST remains Unlocked
478
Transmit Default Card Data on MST to POS upon the MST being moved to the POS

FIG. 5

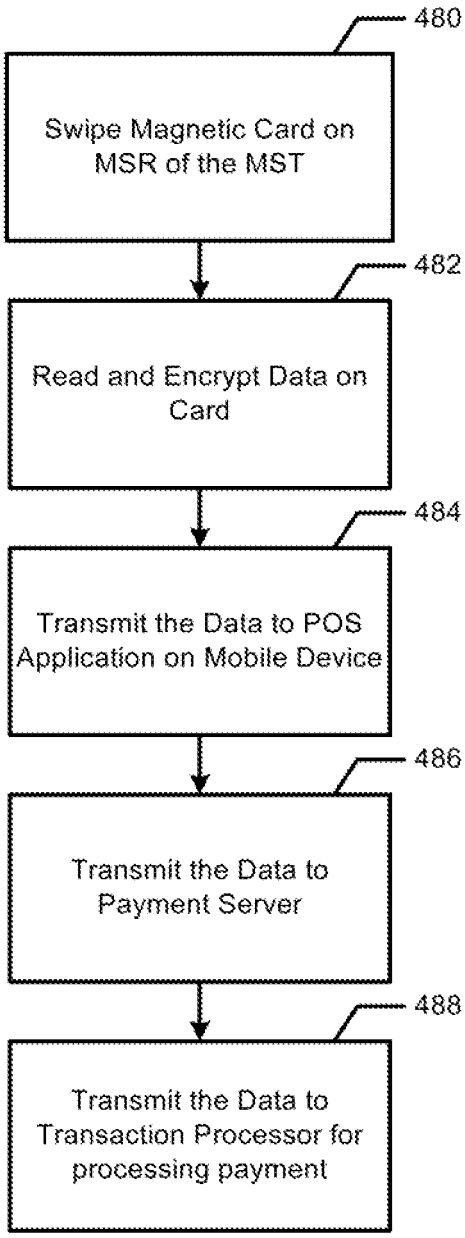

480
Swipe Magnetic Card on MSR of the MST
482
Read and Encrypt Data on Card
484
Transmit the Data to POS Application on Mobile Device
486
Transmit the Data to Payment Server
488
Transmit the Data to Transaction Processor for processing payment

FIG. 6