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Start-Up May Just Digitize Your Wallet

Posted by [George Hulme](#), Feb 8, 2009 07:29 PM



I despise having to carry paper. You can also add credit and ATM cards, driver's licenses, insurance cards -- all of this stuff we need to carry every day to that list, too. While we worry about hackers cracking retailers' Web sites and getting our credit card or financial information -- a lost wallet or purse can easily end up being a much bigger nightmare.

A startup from Bend, Oregon believes it may have a solution.

About 10 years ago, after exercising at a gym in Northeast Philadelphia, I returned to my locker -- I noticed that my lock was on the floor -- in several pieces. Someone had, while I was on the treadmill, took a pair of bolt cutters to the lock on my locker and stole my wallet.

To say that caused a headache is an understatement. Countless hours were lost replacing my driver's license, insurance cards, canceling credit cards. But that wasn't as bad as learning that someone had opened several store charge cards in my name. I was able to stop the identity theft quickly enough. Some people aren't so lucky.

After that experience, I've ever since remained interested in any technology that could replace my physical wallet. I've managed, thanks to Roboform and 1Password, to get my online usernames/passwords and payment methods under control -- so why can't the same be done for physical transactions?

With that in mind, I recently had a conversation with John Giobbi, founder and CEO of start-up [Proxense](#). Proxense is in the process of bringing to market a proximity-based communication device that aims to provide a way to securely share information and conduct payments.

Years ago, I thought maybe some type of RFID technology would be able to get the job done, but cheap RFID chips, even those a do sport of little bit of power, can't perform the necessary encryption to transmit sizable chunks of data: at least not to any level that would satisfy my need for protecting important documents, or banking and credit card information. They just don't have the power to store everything, let alone provide the encryption and layers of security necessary for relatively secure transactions.

Proxense's technology, which the company calls TruProx, consists of RF-enabled keys and sensors. Proxense's "Personal Digital Keys," or PDKs can be carried by users, perhaps even within a cell phone, and can securely hold data and manage authentication. The PDKs can be read by retailers, for instance, or even used to store any type of record.

And, Giobbi explains, the data within the PDK can also be protected by additional layers of authentication, such as a biometric or passcode.

I can see plenty of potential uses for such a device. The device be used by retailers and restaurants to automate payments, gas stations, and coffee shops. Plus, explains Giobbi, payments and reward programs could be managed on the device -- no more coupons or reward cards to have to fumble with. TruProx could also be used to store and share government documents and even health records. I covered the potential E-health potential, in some depth, in this [post](#).

I'm not sure if Proxense will be the vendor that will successfully provide a secure digital wallet that can be used nearly anywhere. But I do know someone will do it eventually, and Proxense looks interesting to me. I also know that if it had of been an encrypted electronic wallet -- instead of a physical wallet -- that those thieves stole so many years ago during my workout -- I wouldn't have lost so many nights sleep.

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