



Merchant Services Partnership Proposal

Prepared for:

Association Name Here

Attention:

Date

This proposal and the terms and conditions that it contains are not binding on either party. This proposal does not constitute an offer capable of acceptance. Any commitment contemplated by this proposal is subject in all respects to the approval of senior management and the negotiation and execution of a definitive agreement satisfactory to each of the parties.





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Preferred Payment Options

Credit Card Processing

Valued Merchant Services - Powered by First Data supports most current forms of electronic payment, such as Visa, MasterCard, American Express, Discover, JCB, Diners, Electronic Check Acceptance (ECA), debit, private label cards, stored-value Gift Cards, loyalty programs, payroll cards, Wright Express, Voyager, Fuelman, CFN, FleetOne, etc. Valued Merchant Services - Powered by First Data also supports all available State EBT programs, i.e., we support magnetic stripe technology for Michigan's new eWIC program.

Valued Merchant Services - Powered by First Data supports all major connection methods to individual locations or a central corporate location via dial, MPLS, gateway, and satellite.

Valued Merchant Services - Powered by First Data's professional operations and certified network specialists staff the Network Control Center (NCC) and provide 24x7, multi-tiered, proactive monitoring, and support for the switches and networks.

Authorization Network

For authorization switches, Valued Merchant Services - Powered by First Data's proprietary tools are used to provide real-time and historical transaction statistical data, predefined threshold alerts, and connectivity status. All authorization networks use TCP/IP, resulting in low response times.

For network monitoring Valued Merchant Services - Powered by First Data uses numerous tools including, Cisco Works, Hypercom IEN Network Management, Paradyne 6800 and Racal Modem Management, CA Unicenter Network Management System, and many other specialty tools for connectivity status on a client-by-client basis as well as Wide Area Networks (WAN). As predefined thresholds are reached or hardware/software failures are detected, audible and visual alerts are generated. Service level agreement (SLAs) statistics are maintained on the switches.

Risk of system failure is minimal due to the fact that all geographically dispersed data centers are operational daily and are interconnected to help ensure that system failure, data center site failure, or WAN failure will not result in an interruption. Each on-line server (terminal-driving and switching), has a load-balanced redundant server with an identical hardware and software configuration in an alternate data center. Each platform has direct connectivity to each card association. The authorization system is capable of performing, even at peak periods, with the loss of one data center.

Credit Advantages

- Interchange Management
 - Each transaction submitted at the most favorable Interchange rates based on qualifications
 - Non-qualifying transactions are successfully downgraded to clear at the best possible rates
 - Downgrades of 20% or more are monitored and reported
- Chargeback dispute system that resolves certain chargebacks without any human intervention
 - Verification of time frames, authorizations, credits, and images
 - Resolves approximately 30% of all incoming chargebacks
- Own and operate all products and services



Valued Merchant Services - Powered by First Data also offers voice authorizations via a toll-free number. The call center operates 24x7x365. A valid merchant number is required to receive an authorization and calls are monitored for quality assurance.

Statistics for the past three years are as follows:

TRANSACTION STATISTICS	2007	2006	2005
Full year authorizations	30.77 billion	26.993 billion	23.733 billion
Total peak day authorizations	148.2 million	130 million	123 million
Peak Transactions Per Second	3,690	3,243	2,854
Total Peak Per Second System Capacity	11,026	9,672	8,971
Average transactions daily	84.2 million	73.9 million	65.0 million

Total System Response Times (seconds)

COMMUNICATION METHOD	Average (Year Round)
Dial	4-12 seconds
MPLS	2-5 seconds

Debit Card Processing: On-line, Off-line, and PIN-less Debit

Valued Merchant Services - Powered by First Data owns and operates the STAR[®] debit network which provides our merchants with a strategic advantage when it comes to processing STAR debit payments. There are two types of debit card transactions, on-line and off-line.

- **On-line**—On-line debit transactions occur when a card is swiped at point-of-sale and the entry of the customer’s PIN on a PIN pad is required. A signature is not required on the receipt. The transaction is routed through one of the regional or national networks. STAR, NYCE, and SHAZAM are examples of regional networks; Interlink and American Express are examples of national networks. Every major regional and national network is used. Funds are automatically debited from the customer’s account and electronically transferred to the merchant’s account. There is no interchange or assessment cost; consequently, the merchant would only incur a per-transaction fee and the network fee.

Debit Advantages

- Direct connections to all debit networks
 - Improved service and elimination of third-party fees
- BIN Management (prompting for PIN)
 - Higher conversion rate of signature debit
- Dynamic re-routing of debit declines
- Time Out Reversals (TOR)
 - Merchant initiated reversals
 - Matched against database before approval
- On-line debit adjustments via ClientLine[®] to resolve duplicate transactions or incorrect charges



- **Off-line**—Off-line debit transactions work just like a credit card at the point-of-sale. The difference for the customer is that the funds are debited from their bank account within two days instead of appearing on a monthly credit card bill. Interchange is charged in off-line debit so the discount rate would apply.
- **PIN-less**—PIN-less bill payment transaction is processed by STAR[®] just like a point-of-sale debit purchase and is routed on-line to the cardholder's financial institution for approval. The debit appears on the customer's next checking account statement as an ATM/debit card transaction. The billing organization or its payments processor must also authenticate the customer by validating data that the biller has provided to the customer.

Valued Merchant Services - Powered by First Data has and can offer direct connection to the networks listed below.

Regional Debit Gateways

Alaska Option	Both
Allpoint	ATM
Credit Union Cooperative (Co-Op)	ATM
CU24	Both
Fastbank	ATM
Jeanie	POS
Members Access Atlantic	Both
MoneyCenter 24	POS
MoneyPass	ATM
NetWorks	Both
NYCE [®]	Both
Presto Link	Both
PULSE [®] /PULSE PAY	Both
SHAZAM [®]	Both
STAR [®]	Both
TCF – Twin Cities Federal	POS
THE EXCHANGE/ACCEL [®]	Both

National and International Debit and Credit Gateways

AFFN	Both
American Express [®]	Both
Carte Blanche [®]	POS
Diners Club [®]	POS
Discover [®]	Both
JCB – International	POS
MasterCard [®] /Cirrus [®] /Maestro [®]	Both
Visa [®] /PLUS [®] /Interlink/Visa NET	Both

*Both = ATM and POS



Settlement File/Funding Options

Payment for Visa, MasterCard, Diners Club, and JCB transactions can occur the next business day if 1) you elect a wire transfer option and 2) your close-out, end-of-day, or batch file has been received and fully processed before the established deadline. Merchants electing ACH deposits generally receive their funds the second business day.

Merchants can see their deposits on-line through Valued Merchant Services - Powered by First Data's ClientLine® Reporting tool. This solution can provide the added benefit of same-day cash management, increased financial leverage, and investment capabilities. All daily funding amounts are calculated as sales, less returns, chargebacks, rejects, and adjustments. All discounts and fees due are calculated and collected on a monthly basis.

Processing schedules and cutoff times depend on the type of transaction and method of funding.

Note: Batch file submission/transmission may have different close times.

Dispute Operations: Retrievals and Chargebacks

Valued Merchant Services - Powered by First Data provides a dispute process application that allows for a single solution for all dispute processing needs. Valued Merchant Services - Powered by First Data leverages its expertise and technology to provide industry leading dispute services that have been recognized by Visa and MasterCard.

Retrievals

The goal of the retrieval process is to satisfy a request for transaction documentation as often and as quickly as possible. To support that goal, the retrieval process is geared to ensure proper compliance to the regulations while minimizing the impact to the merchant. It is designed to validate proper requests from the card companies, minimize unnecessary requests to the merchant, provide as much time as possible for the merchant to research and respond, and give options on how a merchant can receive and respond to these requests. Each process is designed around the individual regulations by card type, taking into account various different merchant setup options and unique processing for the differences in merchant industry. Therefore, the effects and benefits of our process vary by merchant.

Based on the rules and regulations, Valued Merchant Services - Powered by First Data is able to provide Substitute Draft processing that fulfills retrievals with required data elements when applicable. This eliminates unnecessary retrieval requests by responding on the merchants' behalf, when appropriate, and Signature Capture interface which allows for electronic file processing and eliminates the need for individual merchant response. The process also identifies invalid retrieval requests specifically for those transactions that meet program criteria for the MasterCard QPS Program and the Visa No Signature Required Program and returns those to the issuing bank.



Merchants have 20 calendar days to respond to Association Retrieval Requests and we also provide 2nd request/reminder notifications for fax and Electronic Integrated Dispute System (eIDS) setup on day 14 for those items not previously fulfilled. Currently, Valued Merchant Services - Powered by First Data provides several options for merchants to receive and respond to their retrieval notifications all driven by merchant setup. Those options include mail; standard and special delivery, fax, electronic file, and through eIDS.

Valued Merchant Services - Powered by First Data also provides a Chargeback Request for Sales Draft process that mirrors the Association retrieval process, but is actually an internal process of pre-notification for chargebacks that have been received. This process is performed on certain fraud chargeback reason codes when the transactions are identified as "Card Present" since there is a high likelihood of a signed and swiped/imprinted sales receipt. Merchants have 12 calendar days to respond to this request to avoid further chargeback implications. This is one of many benefits of our dispute process as it provides an opportunity for merchant investigation and response prior to assessment of the chargeback financial.

Chargebacks

Valued Merchant Services - Powered by First Data utilizes IDS (Integrated Dispute System) to provide the most accurate and efficient chargeback processing in the industry. There is a 100% review of chargebacks by a proprietary "Expert" business rule-based system (over 100 timeframe and rule edits, by reason code) that encompasses all pertinent Visa and MasterCard rules. In addition, electronic file handling of case images and data speeds resolution. Before a chargeback is sent to the merchant, this expert system will interrogate the chargeback against a predetermined set of parameters to determine workflow, resolution, and output to the merchant. In some cases, this results in automatic resolution of incoming chargebacks. As part of the business rules and internal procedures, Valued Merchant Services - Powered by First Data validates issuer and cardholder requirements as part of the overall dispute investigation.

Merchants are informed of disputed chargebacks either by mail, fax, electronic file or eIDS based on available functionality and merchant setup. A Chargeback Notification form is provided for all disputes adjusted to the merchant and the debit appears on the merchant's bank statement as well as other reporting tools. The merchant will have access to this process electronically through eIDS if entitled for that product. Merchants have 14 calendar days to respond to the Chargeback Notification. Reversal of a debit will occur when a remedy has been supplied within the required timeframe

Electronic Integrated Dispute SystemSM (eIDSSM)

The Electronic Integrated Dispute System (eIDS) service is a highly secure, Web-enabled front-end interface to help merchants and/or clients effectively manage sales disputes (chargebacks and retrievals) with greater efficiency in a real-time environment. Product management, along with systems and operations support, created this Web-based tool to help merchants simplify back-office processes and expedite response time on retrieval requests. The improved response time can result in reduced non-response chargebacks. The eIDS service can also provide data and information to merchants to help them gain control of their sales dispute expense management.



The eIDS service is easy for merchants/clients to use and provides the following key features:

- Allows fulfillment of retrievals in real-time via the Web.
- Sends merchants confirmation and acknowledgement that response has been received.
- Alerts merchants if all required documentation has not been submitted, which can reduce chargebacks for non-response.
- Provides work queues of all outstanding chargebacks and retrievals in need of a response.
- Provides the ability to query or sort chargeback or retrieval requests on-line, i.e., by cardholder, sale amount, etc., for prioritization and management of disputes.
- Offers imaged cardholder, bank, and other supporting documentation, as well as provide the merchant the ability to scan in documentation to support fulfillment.
- Provides the ability to manipulate images, i.e., magnify, rotate, flip, and scroll for optimal viewing capability
- Assists merchant in navigation within the eIDSSM program and provides educational information that can be updated with new release information through on-line Help.
- Provides statistical reporting for chargeback and retrievals on-line that can be printed or imported into spreadsheet software for dispute management.



System Overview

Technology Operations

The call centers and data centers Valued Merchant Services - Powered by First Data uses are geographically diverse and operational 24x7x365. Primary data centers are located in Melville, NY; Denver, CO; Omaha, NE; and Hagerstown, MD. This multiple-site design delivers fully redundant and fail-safe capabilities, as there is no single point of failure. Systems capacity is provisioned so that any single data center can experience a complete site outage, and the remaining sites have more than adequate capacity to accommodate 100 percent of the traffic during the busiest hour of the year. Client connectivity is provisioned such that a minimum of two data center processing sites can be reached using diverse network access.

The authorization platforms are designed primary/primary, so there is no distinction between primary and backup. There is no preference to which site is used at any given time. It is preferred that both sites be used for real-time authorizations at all times. In the event of a circuit outage, carrier outage, or site outage, processing continues without interruption on the redundant networks and/or alternate sites.

For settlement systems, backup systems are functional at all times and are put into production status any time scheduled or routine maintenance is being performed on production systems. CommSite2 in Nebraska is used for settlement backup.

Valued Merchant Services - Powered by First Data invests heavily in state-of-the-art hardware, software, and expert personnel to deliver the best payment processing experience to customers. Valued Merchant Services - Powered by First Data has designed and deployed proactive, preventative maintenance strategies for all systems. Maintenance is scheduled and performed on all systems throughout the year and is almost transparent to merchants.

Valued Merchant Services - Powered by First Data's professional operations and certified network specialists staff the Network Control Center (NCC) and provide 24x7x365, multi-tiered, proactive monitoring, and support for the switches and networks. Valued Merchant Services - Powered by First Data's connectivity has built-in redundancy including dial backup for MPLS and Point-to-Point Lease Lines, so a client rarely experiences a network outage that will impact authorizations.

Additional technology benefits:

- Standard interfaces and protocols
 - Simple Object Access Protocol (SOAP)
 - Extensible Markup Language (XML)
 - Common Gateway Interface (CGI)
- Standard transport and encryption
- Terminal, eCommerce and point-of-sale
- Fraud prevention
 - Verified by Visa



- AVS, CVV2, and CVC2
- Multiple carriers for both acquiring and authorization links
- High speed ATM connections between data centers
- Low debit and EBT adjustment rate
- Host capture
- Debit reroute
- Automatic reroute on a debit decline for the following conditions:
 - Issuer unavailable
 - Network unavailable
 - Bank not member
- Card BIN found in another network (30%)
- Elapsed time since receiving the transaction has not exceeded host defined parameter

Equipment, Testing, and Certification

Valued Merchant Services - Powered by First Data supports most major terminal, PC hardware, and POS software. Certified POS hardware support is dependent on the POS software applications, manufacturer, model, and designated communication method.

Valued Merchant Services - Powered by First Data has developed and support a standardized process for certification of new applications or software used by your retailers. Our certification/test environment is used to test applications for all of your required payment types. For test transactions we operate a 24x7x365 full testing system and test lab that works in complete tandem with our full production system. This allows vendors and software providers access to the system at their own schedule to ensure that connectivity, etc. is being met.

The test system is up and operational 24 hours per day, seven days per week with the exception of Friday mornings between 6 a.m. and 11 a.m. EST. During that time period, the QA Engineers are implementing new host code in the test system that will subsequently be implemented on the production host the following Monday through Wednesday. This allows Valued Merchant Services - Powered by First Data to appropriately stage the new code and perform final regression testing. Also, it allows both vendors and customers the opportunity to process against new host code prior to seeing that code live in the production environment.

Support for vendor and customer testing on our test system is available by calling Monday through Friday between the hours of 9 a.m. and 5 p.m., with the exception of the Friday morning code move period. There is no cost for unassisted testing on Valued Merchant Services - Powered by First Data's test system.

You can contact your Account Manager in order to submit paperwork to have an analyst assigned from our testing and certifications department. This analyst provides customized test scripts, cards, etc. on behalf of the vendor in order to begin the certification process. Once certification is complete, Valued Merchant Services - Powered by First Data will



provide a certification letter to the vendor and you to provide details on the certification for future retailers looking to use the certified solution.



Compliance and Data Security

All production systems are maintained in secure data centers that are monitored 24x7x365 by security guards as well as technical staff. Physical security measures include cameras and motion detectors. Physical access to the system is restricted to technical support and security personnel using a magnetic lock system. Logical access to systems is controlled by a dedicated Data Security department. Formal requests for access must be submitted and signed by authorized managers.

All access from within Valued Merchant Services - Powered by First Data's internal network requires the use of unique and complex passwords, which must be changed every 90 days. Remote access is allowed for our support personnel but requires the use of two-factor authentication.

Valued Merchant Services - Powered by First Data is CISP (Cardholder Information Security Program), PCI (Payment Card Industry) DSS (Data Security Standard), and Sarbanes-Oxley compliant. We deploy multiple firewalls and data security features to help ensure the highest privacy and protection of cardholder data. Any transaction information received or sent over the Internet must meet strict industry encryption standards—VPN (Virtual Private Network) and/or fully encrypted 128 bit SSL (Secure Socket Layer).

In addition to Valued Merchant Services - Powered by First Data's leading network and technology security to protect sensitive information, our information security officers conduct random audits, our external auditor, Ernst & Young, monitors and updates the SAS 70 (Statement on Auditing Standards) controls annually, and our human resources department coordinates annual training on privacy and data security policies and standards. All new employees are required to complete pre-employment screening that includes, but is not limited to, national background checks and drug tests.

Disaster Recovery Plan

Valued Merchant Services - Powered by First Data maintains a formal and published set of disaster recovery procedures.

Disaster Recovery Strategy (Other than STAR® Network)

Valued Merchant Services - Powered by First Data maintains inventory control over the hardware and software production environment. The DR/BCP team facilitates a change control process to ensure that the DR/BCP team is aware of changes in the production environment. A constant synchronization between production and recovery is the objective. GAP analyses are maintained to identify required enhancements to the business recovery strategy. All new projects under consideration must also have DR/BCP components defined and approved if required by the respective business unit prior to implementation.

Authorizations—Merchant and issuing authorizations are shared among geographically separated platforms. In a disaster, the surviving platforms are fully capable of handling the entire transaction load.

Mainframe Systems—The mainframe recovery strategy is designed to support the business units within their specified recovery time objectives with minimal data loss. Valued Merchant Services - Powered by First Data owns a recovery facility in

Omaha, NE, known as CommSite2, where critical data for systems are recovered and replicated to storage subsystems. This process ensures that data is moved from the primary site to the secure secondary recovery location as quickly as possible. In the event of a disaster, the replicated storage subsystems are attached to a recovery mainframe. Each Valued Merchant Services - Powered by First Data business unit may have additional recovery locations as described within their recovery scheme and outlined in later sections of this document.

Non-mirrored data is recovered using a tape-based recovery strategy. Data being written to virtual tape systems in production are offloaded to virtual tape in the recovery site on a scheduled basis. Automated tape libraries at the recovery center are populated with less critical tapes shipped from the vendor's storage site at the time of exercise or disaster. Monitoring tools are in place to regularly evaluate criticality of all production files.

Distributed Systems—Distributed systems applications and data reside on multiple platforms including SUN, UNIX, IBM AIX, Windows NT, and Windows 2000 servers. Parts of the distributed systems are backed up to enterprise class tape media which are rotated offsite on a regularly scheduled basis. These tapes would be used to restore the distributed environment in case of a disaster. Other parts of the distributed systems are replicated to virtual tape over the Storage Area Network (SAN) at the recovery site. The specific method of recovery is based upon individual business requirements.

Midrange Systems—Part of the midrange server environment runs shared application processes that are considered critical components of the business. These servers are backed up to enterprise class tape media that is rotated offsite as scheduled to meet business needs for data currency. Procedures are in place to execute a traditional tape backup recovery to restore the Midrange environment. Other parts of the midrange server environment are replicated to virtual tape over the Storage Area Network (SAN) at the recovery site. The specific method of recovery is based upon individual business requirements.

Network Recovery—Network recovery consists of alternate routes and services specific to each communications type for voice and data. This includes redundancy for both local and long distance through multiple providers. Critical components are switched in conjunction with DR/BCP exercises to validate recoverability.

STAR[®] Network

This recovery strategy is based on a self-sufficient or in-house solution. Recovery will be accomplished through a combination of measures involving:

- Systems operating in two locations where either system can take over processing volumes of a failed system.
- Hardware located at an alternate site dedicated for testing and implementation of disaster recovery plans.
- Hardware located at an alternate site normally used for other development, quality assurance, and certification testing needs.



- Manual procedures until the necessary hardware can be acquired from vendors.

Recovery time lines for specific technology and business processes will vary from minutes to weeks based upon their level of impact to Valued Merchant Services - Powered by First Data's recovery objectives. For some systems, there will be an almost immediate fail-over from the impacted site to another system at an alternate site with minimal disruption or degradation of service. Other systems will use manual procedures until data is restored on replacement equipment purchased in response to the incident.

MPLS

Each Multiprotocol Label Switching (MPLS) circuit at the customer site has dual PVCs connecting to both the primary data center and the secondary data center. In the event of a disaster recovery situation, the network will reconnect to the DR site on the on-line system. In place TCP/IP and FW change procedures are part of this process providing minimum downtime.

In addition to MPLS reroute, dial backup (DBU) is deployed. Upon an MPLS circuit failure at the customer site or at the Data Center, DBU is initiated. This is either ISDN or POTs DBU.

Backup systems are functional at all times and are put into production status anytime scheduled or routine maintenance is being performed on production systems. Merchant processing operations have not experienced delays or interruptions during an occasion when the backup system has been in service.



On-line Reporting

Valued Merchant Services - Powered by First Data offers one of the most robust and merchant-friendly reporting solutions in the payment processing industry. We can deliver raw data transaction files daily to merchants upon request (i.e., FTP), and/or merchants can access our GUI Web-based reporting solution. Our ClientLine[®] solution is completely Internet-based and offered at no cost. It requires no special software other than a typical Internet browser.

ClientLine contains more than 150 pre-built standard reports. All reports and on-line query abilities are available in the standard ClientLine package. In general, report requests are completed and delivered between one and five minutes. Delivery times depend on a number of query variables:

- Scheduled vs. ad hoc request
- Span of time parameter selected
- Number of locations selected
- File size
- Output method
- Delivery method
- Other external system performance and availability (i.e., Web, external e-mail, external fax, etc.)

Custom report writing can be made available. Once custom report requirements are defined, a project request would be submitted and a project manager would be assigned to work with your technical staff to size and scope the request.

Reporting Levels, Formats, and On-line History

Our reporting solution supports location, corporate, lead corporate, agent, bank, and owner reporting options. Merchants can create custom groups within ClientLine to help map and display reports to your organizational structure. Your Account Manager works with you to define a reporting hierarchy or “roll up” to ensure appropriate data mapping, aggregation, and security. Your Account Manager is able to complete adjustments to your hierarchy as requested.

Reports can be generated using the following formats: Microsoft Word or Excel, Adobe PDF, and Comma Separated Value (CSV) and can be formatted into an unlimited number of customized reports. Summary reports are available using any date range within the 13 month history and provides information for reporting calendar, fiscal, or accounting months. Reporting includes funding, rate analysis, adjustments, chargebacks, retrievals, card-type summaries, and debit network categories with several variations in each category for reporting needs. Detailed transaction report information is available for six months.

Report Scheduler

ClientLine offers a Report Scheduler that allows you to specify the delivery of reports on a recurring basis without needing to perform a report request each and every time. For example, you can choose to have a “Rate Analysis” report delivered once a week, every



Monday for the preceding week's activity. This saves you time from having to request the reports and allows you to establish a schedule within your organization for data review.

Using the scheduler, you can send any of the reports via e-mail or fax to any one location or any of the groups defined by chain IDs. You can also e-mail reports for the user-defined groups within the Group Builder module.

Disputes

ClientLine also provides information on chargebacks and retrievals. The Disputes module provides detail reporting with the ability to review open items. You can:

- View open retrieval requests and the required response date
 - This will not replace faxed or mailed copies of draft request or chargeback notifications
- Generate detailed reporting on chargebacks, which aids in the identification of risk factors
 - Review six months of statistical trends for your disputes

Rate and Qualification Analysis

The Rate and Qualification Analysis module provides interchange analysis, expense information, and billback details, allowing you to track the performance of your credit card settlement. It allows you to:

- Research rate qualification failures on a per transaction basis
- Identify issues associated with billback transactions and make necessary changes to reduce processing expenses
- Manage possible fraud by tracking inconsistent transaction qualifications at the location level
- Recognize internal training needs by monitoring transactions that could qualify for low interchange rates

Statement Cycle Options

You can customize and configure transaction data available on-line based upon your own unique business calendar via the ClientLine reporting tool. This system allows all data collected on your behalf to match and mirror your established systems and provide for easier reconciliation.

Statements can be viewed in color on-line and e-mailed electronically. Additional benefits when viewing statements on-line include:

- Update account information and request copies of past statements on-line for up to 13 months
- Receive statements the day they are available and eliminate the typical delay when receiving statements by mail



- E-statements can be saved to a personal computer and are password protected even after they have been downloaded to your hard drive
- E-statements can be printed if the you would like to work with or file a hard copy
- E-statements are available from anywhere a merchant has access to e-mail

If needed, paper statements can be provided. Black/white paper statements for authorization fees are generated and mailed on or about the 10th of each month.



Customer Service and Account Management

Valued Merchant Services - Powered by First Data's commitment to superior customer service clearly differentiates us from other payment processors. Valued Merchant Services - Powered by First Data has in place a world-class, highly skilled team of experts who are specifically responsible for helping to ensure your success and satisfaction with our processing services. ***We strive for first call resolution on every call.*** In the event an issue is not resolved on the first merchant contact, most research and resolution is completed within 72 hours with the highest priority issues impacting operations being assigned resources first. Valued Merchant Services - Powered by First Data's customer service team is focused on the customer experience by measuring your customer's voice through first call resolution and other continuously monitored and analyzed performance measures.

Unique toll-free numbers allow us to accurately and efficiently route calls through an ACD to Customer Services and Help Desk representatives trained to professionally answer questions pertaining to your specific industry or account. Valued Merchant Services - Powered by First Data's client services and terminal help desk are staffed around the clock with knowledgeable and experienced personnel. We provide and maintain call centers located both in the United States and internationally, as well as 24-hour data centers that monitor the production processes.

We offer a Technical and Customer Support Help Desk that is truly interactive. Representatives have on-line, real-time access to the transaction database as transactions are processed. In addition, they have access to merchant and terminal profiles that contain the information necessary to provide technical assistance. Valued Merchant Services - Powered by First Data's call center is a 24x7x365 operation.



Interchange Management

Knowing that interchange represents the most costly portion of your bankcard acceptance, Valued Merchant Services - Powered by First Data developed a three-pronged approach to help us partner with you to manage interchange and reduce your expenses where possible.

1. **Merchant Reporting through ClientLine**—Enables you to monitor interchange at the corporate, divisional, or store level—giving you the tools to stop a downgrade problem quickly using the Rate Analysis Reporting module.

The ClientLine Rate Analysis Query allows you to see the rate(s) in which particular transactions were settled.

Qualification Expense								
Corporate								
Submit Date Range: 10/01/2008 to 10/08/2008								
Currency Code	Card Type	Description	Trans Count	Trans Amount	Interchange	Rate	Sales Percent by Amount	Sales Percent by Count
USD	MC	M141-MC-CORP DATA RATE I (US) BUSINESS	3	2,063.25	(54.98)	2.65% +.10	1.85%	2.52%
USD	MC	M391-MC-BILL PAYMENTS (MÉRIT ID INSURANCE	8	7,827.75	(112.34)	1.43% +.05	7.02%	6.72%
USD	MC	M392-MC-WORLD BILL PAYMENTS (MÉRIT ID INSURANCE	9	10,869.60	(155.89)	1.43% +.05	9.75%	7.56%
USD	MC	M394-MC-ENHANCED BILL PAYMENTS (MÉRIT ID INSURANCE	6	5,124.75	(73.58)	1.43% +.05	4.60%	5.04%
USD	MC	M645-MC-EMERGING MARKETS DEBIT	8	3,629.90	(31.04)	0.8% +.25	3.26%	6.72%
USD	VISA	V038-VI-CPS RETAIL 2 (EMERGING MARKETS)	36	46,170.82	(662.04)	1.43% +.05	41.41%	30.25%
USD	VISA	V230-VI-BUSINESS CARD- BUSINESS TO BUSINESS	16	19,185.33	(404.49)	2.1% +.10	17.21%	13.45%
USD	VISA	V246-VI-SIGNATURE PREFERRED CARD- BUSINESS-TO-BUSINESS	4	5,212.25	(109.86)	2.1% +.10	4.67%	3.36%
USD	VISA	V638-VI-CPS - RETAIL 2 (EMERGING MARKETS) DEBIT	29	11,417.49	(98.59)	0.8% +.25	10.24%	24.37%
Total for Currency Code			119	111,501.14	(1,702.80)		100%	100%

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2. **Relationship Support**—Our Client Relations Support personnel, outlined earlier in this section, have the knowledge and capabilities to not only provide ad hoc reports focusing on Interchange Management but truly serve as a consultant offering you recommendations for expense reduction related to interchange.
3. **Internal Interchange Monitoring**—We recognized and addressed the need for a system capable of merchant-level monitoring of interchange by creating the patent-pending, Web-based analysis tool called Interchange Management System (IMS).
 - IMS is a powerful Web-based application that offers users the ability to quickly and easily monitor interchange performance.
 - IMS is capable of generating a series of alerts based on historical trend comparisons that identify analysis of qualification shifts resulting in increased interchange costs. The alert reporting functionality of IMS displays the origin of adverse shifts in interchange performance down to the merchant location level.



- IMS also allows for review of Visa/MasterCard reclassification advices. The IMS reclass report details critical reclass information such as sales and transaction totals that reclassified, to and from interchange categories including incremental interchange cost.

IMS allows for Interchange Analysts to quickly view daily qualification statistics and recognize abnormalities that may exist.

Qualification issues are escalated to the appropriate Client Service professional who then works with the impacted merchant on both the root cause identification of the downgrade reason and advisement of mitigation strategies.

As part of our daily Interchange Management or Quarterly Review process, any and all recommendations to reduce the costs associated with interchange, be it in downgraded transactions or opportunities to improve qualification, are immediately communicated to the merchant.



Implementation and Conversion Experience

Valued Merchant Services - Powered by First Data's reputation, experience, and results in successfully supporting and executing large scale program rollouts are unparalleled in the payment processing industry.

Valued Merchant Services - Powered by First Data processes payments for the largest global franchises, retailers, quick service restaurants, and petroleum merchants. Year after year there is a reason Fortune 100 merchants choose to renew existing contracts and convert new payment processing services to First Data.

Upon executing a contract, **Association Name Here** will be assigned a Conversion Project Manager. The role of the Conversion Manager is to be the primary contact for the client throughout the implementation process. The Conversion Manager's ultimate responsibility is to help ensure a smooth conversion while acting as the focal point for all internal departments, third-party providers, and the customer. The Merchant Conversion Team (MCT) places the highest priority on timeliness, accuracy, and efficiency of the conversion project. The Merchant Conversion Representative will enlist resources from various technical and product specific areas. They will also meet internally on a weekly basis to address any issues and review the implementation plan.

A sample of Valued Merchant Services - Powered by First Data's methodology and implementation/conversion plan is shown below.

Implementation Steps and Estimated Time Frames (SAMPLE)	
TASK	ESTIMATED DURATION
Defining Business Requirements —The implementation process is initiated upon contract execution, followed by internal evaluation and completed initial discovery meeting.	Week 1
Project Scoping —Initiate exchange of technical information for authorization and settlement interface specifications.	Weeks 2—4
Store Profiles/Set-Up —We will add the merchant scheme to the host establishing all settlement files and implementing all desired and approved card types.	Weeks 2—4
Communications —Installing and testing network connectivity.	Weeks 2—10
Certification Stage —Although we will already be proactively supporting the development process; once all development and communication tasks are complete, we will begin a three week certification process to certify any developed or untested applications.	Ongoing



Implementation Steps and Estimated Time Frames (SAMPLE)	
TASK	ESTIMATED DURATION
Pilot and Beta Testing —Following certification, the merchant can begin processing transactions.	2 Weeks
Full Conversion Begins	Determined by Association Name Here and Valued Merchant Services - Powered by First Data Services

Post Implementation/Conversion Support

- Monitor initial days of activity to ensure **Association Name Here and their members** achieve the most cost-effective interchange qualification.
- Review reconciliation process with **Association Name Here** through first complete statement cycle.
- Address and resolve any open issues.
- Complete turnover to Relationship Manager for ongoing maintenance/servicing.



Industry Initiatives

Merchants need payment solutions that are fast, flexible, cost-efficient, and offer their customers easy and convenient ways to pay for products and services. We consistently seek new technology, market intelligence, technology investment partnerships, and acquisitions to maintain and accelerate the development and implementation of new services.

Valued Merchant Services - Powered by First Data's ability to stay current and competitive rests on our proactive and routine efforts to capture the voice of our customers through focus groups, market surveys, and customer advisory boards. By constantly engaging our customers and understanding their needs, Valued Merchant Services - Powered by First Data can quickly spot emerging trends and transfer best practices to all our customers, providing competitive advantage in payments.

Valued Merchant Services - Powered by First Data's leadership position and marketplace relevance are totally dependent on constant improvement and innovative new solutions to serve our customers. We are uniquely positioned by our scale, financial viability, and human resources to continue to grow, innovate, and invest in the future.

Valued Merchant Services - Powered by First Data is committed to developing payment solutions that allow our merchants to take advantage of the opportunities created by exciting new technologies and trends. Valued Merchant Services - Powered by First Data's product development and technology staffs examine emerging technologies and analyze their impact on the payments value chain. Some technologies bring whole new capabilities to the marketplace while others permit us to refresh and reinvigorate long-standing components of the value chain. Regardless of what role a new technology will play, Valued Merchant Services - Powered by First Data insists that each new development—prior to becoming a product and put into operation—must demonstrate a compelling value proposition for the merchant as well as the end consumer.

Each of our lines of business continues to innovate and provide differentiated products into their respective markets. The following is an example of innovation planned for development in 2009 with a 2010 introduction:

- Mobile payments
- Pay-at-the-table terminal solutions
- RFID/contactless solutions
- FD-Series POS terminal equipment
- Payroll card solutions
- Franchise settlement
- Alternative payments



In 2008, Valued Merchant Services - Powered by First Data participated in numerous pilots and technology trials relating to the gift card and mobile commerce marketplace with product roll-out and production of these products. Below are examples of such initiatives.

1. Unlike any other gift card solution in the marketplace, Valued Merchant Services - Powered by First Data's gift card program can take advantage of the GO-Tag™ contactless alternative form factors. They make the consumer's shopping experience even more convenient by allowing customers to pay without carrying a wallet or purse and use a prepaid payment rather than cash, credit cards or debit cards. GO-Tag transactions are often faster than cash or traditional magnetic stripe cards because they eliminate the need to hand over, swipe and sign a receipt. The Tap-and-Go contactless form factor, GO-Tag, provides consumers an easy, fast, and convenient way to pay and provides merchants with a form factor that can increase loyalty, customer visits, and the average ticket. Form factors for this solution include stickers and mini card designs.



Consumers can keep their mini card on their key ring or can adhere their contactless sticker to their cell phone, i-Pod, or other personal item for the ultimate in convenience.

The GO-Tag™ product is currently being used by Valued Merchant Services - Powered by First Data employees at two Valued Merchant Services - Powered by First Data cafeterias in the U.S. The production line to support GO-Tag solutions is in full scale production.

2. First Data partnered with Bay Area Rapid Transit (BART), Sprint, and Jack in the Box for a first-in-the-nation mobile payments trial in San Francisco using Near Field Communication (NFC). The trial launched Jan. 29, 2008.

During the four-month trial, a select group of BART riders were able to use their mobile phones to pay for their fares, as well as their food purchases at Jack in the Box restaurants throughout the San Francisco area.

Participants were able to walk up to any BART fare gate and pay for their ride by tapping or waving their specially-equipped wireless phones at a contactless reader. Once through the gate, the 230 trial participants were able to hold their handset up to Jack in the Box and Sprint "smart advertisements" on BART station walls and download directions to the nearest Jack in the Box and content from Sprint. Once at a Jack in the Box restaurant, they were able to use their handset to pay for their purchases.

We released the results of the trial conducted in the San Francisco area from Jan. 28 to May 30, 2008. The results show that BART riders who took part in the trial extensively used their contactless, NFC-enabled phones to pay for their BART fares and meals at participating Jack in the Box restaurants. The results also show that participants at BART stations frequently tapped smart advertisements in BART stations with their NFC phones.

3. First Data partnered with the Colorado Rapids who introduced the club's new "Rapids Kickback Card" rewards program, placing the team as an innovate leader in both the Major League Soccer (MLS) and Colorado marketplaces.



The Rapids Kickback Card rewards program allows the team to reward their most loyal fans with great prizes every time they spend money at Dick's Sporting Goods Park concessions, the box office, and Altitude Authentics, the official soccer store of the Colorado Rapids.

The Rapids Kickback Card is a mini card that that can be placed on a key ring or bag. Cardholders will be able to "tap" their mini card at various locations around the stadium to get discounts at Altitude Authentics and show it for special "express" entrances at the stadium gates and at certain concession stands, as well as increase their point totals for other rewards.

Rapids season ticket holders will receive a Rapids Kickback Card in the mail and will be able to register their card on-line. The card color will be burgundy, blue, or onyx depending on the level of season tickets purchased.

The Rapids is the first professional sports team in Colorado to use this kind of innovative technology to reward their most loyal fans. We provide the rewards program platform, as well as the contactless technology inside the Rapids Kickback Card. Participants also will have discounts and offers delivered to their handsets during the pilot.



Summary of Benefits

Valued Merchant Services - Powered by First Data has the experience, products, and services to seamlessly enable virtually every type of transaction anywhere in the world, anytime—safely, reliably, and securely. Our leadership has been built on strength and expertise in three critical areas:

1. **Operational Excellence**

We are committed to reliability at every level of our company and at every step of each transaction. Every transaction, every task, and every customer is important.

2. **Unmatched Range of Products and Services**

We provide customers with a range of products and services unmatched by anyone in our industry. And we have the scalable capacity to handle our customers' transaction needs however large or small.

3. **Strategic Partnerships**

We do whatever it takes to enable customers to build enduring and valuable relationships with their customers.

Valued Merchant Services - Powered by First Data focuses on being the consummate business partner for our partners and customers connecting them to the people, technology, and relationships—so they can grow their business anywhere in the world.