

To merchants who have accepted Visa and MasterCard at any time since January 1, 2004: Notice of a 6+ billion dollar class action settlement.

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Notice of a class action settlement authorized by the U.S. District Court, Eastern District of New York.

This notice is authorized by the Court to inform you about an agreement to settle a class action lawsuit that may affect you. The lawsuit claims that Visa and MasterCard, separately, and together with banks, violated antitrust laws and caused merchants to pay excessive fees for accepting Visa and MasterCard credit and debit cards, including by:

- Agreeing to set, apply, and enforce rules about merchant fees (called *default interchange fees*);
- Limiting what merchants could do to encourage their customers to use other forms of payment through, for example, charging customers an extra fee or offering discounts; and
- Continuing that conduct after Visa and MasterCard changed their corporate structures.

The defendants say they have done nothing wrong. They say that their business practices are legal and the result of competition, and have benefitted merchants and consumers. The Court has not decided who is right because the parties agreed to a settlement. On November 27, 2012, the Court gave preliminary approval to this settlement.

THE SETTLEMENT

Under the settlement, Visa, MasterCard, and the bank defendants have agreed to make payments to two settlement funds:

- The first is a “Cash Fund” – a \$6.05 billion fund that will pay valid claims of merchants that accepted Visa or MasterCard credit or debit cards at any time between January 1, 2004 and November 28, 2012.
- The second is an “Interchange Fund” – estimated to be approximately \$1.2 billion

– that will be based on a portion of the interchange fees attributable to certain merchants that accept Visa or MasterCard credit cards for an eight-month “Interchange Period.”

Additionally, the settlement changes some of the Visa and MasterCard rules applicable to merchants who accept their cards.

This settlement creates two classes:

- A *Cash Settlement Class* (Rule 23(b)(3) Settlement Class), which includes all persons, businesses, and other entities that accepted any Visa or MasterCard cards in the U.S. at any time from January 1, 2004 to November 28, 2012, and
- A *Rule Changes Settlement Class* (Rule 23(b)(2) Settlement Class), which includes all persons, businesses, and entities that as of November 28, 2012 or in the future accept any Visa or MasterCard cards in the U.S.

WHAT MERCHANTS WILL GET FROM THE SETTLEMENT

Every merchant in the Cash Settlement Class that files a valid claim will get money from the \$6.05 billion Cash Fund, subject to a deduction (not to exceed 25% of the fund) to account for merchants who exclude themselves from the Cash Settlement Class. The value of each claim, where possible, will be based on the actual or estimated interchange fees attributable to the merchant’s MasterCard and Visa payment card transactions from January 1, 2004 to November 28, 2012. Payments to merchants who file valid claims for a portion of the Cash Fund will be based on:

- The money available to pay all claims,
- The total dollar value of all valid claims filed,
- The deduction described above not to exceed 25% of the Cash Settlement Fund, and
- The cost of settlement administration

and notice, money awarded to the class representatives, and attorneys’ fees and expenses all as approved by the Court.

In addition, merchants in the Cash Settlement Class that accept Visa and MasterCard during the eight-month Interchange Period and file a valid claim will get money from the separate Interchange Fund, estimated to be approximately \$1.2 billion. The value of each claim, where possible, will be based on an estimate of one-tenth of 1% of the merchant’s Visa and MasterCard credit card dollar sales volume during that period. Payments to merchants who file valid claims for a portion of the Interchange Fund will be based on:

- The money available to pay all claims,
- The total dollar value of all valid claims filed, and
- The cost of settlement administration and notice, and any attorneys’ fees and expenses that may be approved by the Court.

Attorneys’ fees and expenses and money awarded to the class representatives: For work done through final approval of the settlement by the district court, Class Counsel will ask the Court for attorneys’ fees in an amount that is a reasonable proportion of the Cash Settlement Fund, not to exceed 11.5% of the Cash Settlement Fund of \$6.05 billion and 11.5% of the Interchange Fund estimated to be \$1.2 billion to compensate all of the lawyers and their law firms that have worked on the class case. For additional work to administer the settlement, distribute both funds, and through any appeals, Class Counsel may seek reimbursement at their normal hourly rates, not to exceed an additional 1% of the Cash Settlement Fund of \$6.05 billion and an additional 1% of the Interchange Fund estimated to be \$1.2 billion. Class Counsel will also request reimbursement of their expenses (not including the administrative costs of settlement or notice), not to exceed

\$40 million and up to \$200,000 per Class Plaintiff in service awards for their efforts on behalf of the classes.

HOW TO ASK FOR PAYMENT

To receive payment, merchants must fill out a claim form. If the Court finally approves the settlement, and you do not exclude yourself from the Cash Settlement Class, you will receive a claim form in the mail or by email. Or you may ask for one at: www.PaymentCardSettlement.com, or call: 1-800-625-6440.

OTHER BENEFITS FOR MERCHANTS

Merchants will benefit from changes to certain MasterCard and Visa rules, which will allow merchants to, among other things:

- Charge customers an extra fee if they pay with Visa or MasterCard credit cards,
- Offer discounts to customers who do not pay with Visa or MasterCard credit or debit cards, and
- Form buying groups that meet certain criteria to negotiate with Visa and MasterCard.

Merchants that operate multiple businesses under different trade names or banners will also be able to accept Visa or MasterCard at fewer than all of the merchant’s trade names and banners.

LEGAL RIGHTS AND OPTIONS

Merchants who are included in this lawsuit have the legal rights and options explained below. You may:

- **File a claim to ask for payment.** You will receive a claim form in the mail or email or file online at: www.PaymentCardSettlement.com.
- **Exclude yourself** from the Cash Settlement Class (Rule 23(b)(3) Settlement Class). If you exclude yourself, you can sue the Defendants for damages based on alleged conduct occurring on or before November 27, 2012 on your own at your own expense, if you want to. If you exclude yourself, you will not get any money from this settlement.

If you are a merchant and wish to exclude yourself, you must make a written request, place it in an envelope, and mail it with postage prepaid and postmarked no later than **May 28, 2013** to Class Administrator, Payment Card Interchange Fee Settlement, P.O. Box 2530, Portland, OR 97208-2530. The written request must be signed by a person authorized to do so and provide all of the following information: (1) the words “In re Payment Card Interchange Fee and Merchant Discount Antitrust Litigation,” (2) your full name, address, telephone number, and taxpayer identification number, (3) the merchant that wishes to be excluded from the Cash Settlement Class (Rule 23(b)(3) Settlement Class), and what position or authority you have to exclude the merchant, and (4) the business names, brand names, and addresses of any stores or sales locations whose sales the merchant desires to be excluded.

Note: You cannot be excluded from the Rule Changes Settlement Class (Rule 23(b)(2) Settlement Class).

- **Object to the settlement.** The deadline to object is: **May 28, 2013**. To learn how to object, see: www.PaymentCardSettlement.com or call 1-800-625-6440. Note: If you exclude yourself from the Cash Settlement Class you cannot object to the terms of that portion of the settlement.

For more information about these rights and options, visit: www.PaymentCardSettlement.com.

IF THE COURT APPROVES THE FINAL SETTLEMENT

Members of the Rule Changes Settlement Class are bound by the terms of this settlement. Members of the Cash Settlement Class, who do not exclude themselves by the deadline, are bound by the terms of this settlement whether or not they file a claim for payment. Members of both classes release all claims against all released parties listed in the Settlement Agreement. The settlement will resolve and release any claims by merchants against Visa, MasterCard or other defendants that were or could have been alleged in the lawsuit, including any claims based on interchange or other fees, no-surcharge rules, no-discounting

rules, honor-all-cards rules and other rules. The settlement will also resolve any merchant claims based upon the future effect of any Visa or MasterCard rules, as of November 27, 2012 and not to be modified pursuant to the settlement, the modified rules provided for in the settlement, or any other rules substantially similar to any such rules. The releases will not bar claims involving certain specified standard commercial disputes arising in the ordinary course of business.

For more information on the release, see the settlement agreement at: www.PaymentCardSettlement.com.

THE COURT HEARING ABOUT THIS SETTLEMENT

On September 12, 2013, there will be a Court hearing to decide whether to approve the proposed settlement, class counsels’ requests for attorneys’ fees and expenses, and awards for the class representatives. The hearing will take place at:

United States District Court for the Eastern District of New York
225 Cadman Plaza
Brooklyn, NY 11201

You do not have to go to the court hearing or hire an attorney. But you can if you want to, at your own cost. The Court has appointed the law firms of Robins, Kaplan, Miller & Ciresi LLP, Berger & Montague, PC, and Robbins Geller Rudman & Dowd LLP to represent the Class (“Class Counsel”).

QUESTIONS?

For more information about this case (*In re Payment Card Interchange Fee and Merchant Discount Antitrust Litigation*, MDL 1720), you may:

Call toll-free: 1-800-625-6440

Visit: www.PaymentCardSettlement.com

Write to the Class Administrator:

Payment Card Interchange Fee Settlement
P.O. Box 2530

Portland, OR 97208-2530

Email: info@PaymentCardSettlement.com

Please check www.PaymentCardSettlement.com for any updates relating to the settlement or the settlement approval process.