

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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IN RE :
: MASTER FILE NO.
: CV-96-5238
VISA CHECK/MASTERMONEY ANTITRUST : (Gleeson, J.) (Mann, M.J.)
LITIGATION :
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This Document Relates To: :
All Actions :
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**DECLARATION OF MORRISON G. CAIN, ESQ., SENIOR VICE PRESIDENT AND
GENERAL COUNSEL OF INTERNATIONAL MASS RETAIL ASSOCIATION, IN
SUPPORT OF THE SEPTEMBER 18, 2003 STATUS REPORT CONCERNING
NOTICE OF SETTLEMENT TO MEMBERS OF THE CERTIFIED CLASS**

I, MORRISON G. CAIN, declare as follows:

1. I am Senior Vice President and General Counsel for the International Mass Retail Association (“IMRA”), one of the three trade association plaintiffs in the lead action.
2. IMRA is a not-for-profit corporation with its principal place of business in Arlington, Virginia. IMRA is a trade association of mass retailers whose members operate more than 62,000 stores employing more than 2 million people in the United States, with annual sales of approximately \$300 billion.
3. IMRA's retailer-members account for the overwhelming majority of sales by the nation's major mass merchandisers, such as discount department stores, specialty discount stores, home centers, catalogue showrooms, membership warehouse clubs, deep discount drugstores, and off-price stores.
4. In accordance with paragraph 5 of the Stipulation and Order For Providing Notice of Settlement of Class Action to Members of the Certified Class, dated June 13, 2003, IMRA published and disseminated Notice of Settlement to members of the class as follows.
5. Attached as Exhibit A is an article on the class notice procedure for the above-captioned matter that was published, along with a hotlink to the text of Summary Notice of

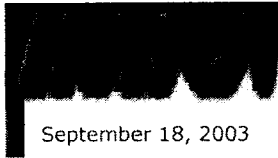
Settlement, in the July 18 and 25, August 1, 8, 15 and 22, September 5 and 12 editions of "News @ IMRA." News@IMRA is a weekly e-mailed newsletter, which is received by 2,952 subscribers. The newsletter and hotlink to Summary Notice was also posted on the same day to IMRA's website, where it remains.

I hereby declare, pursuant to the penalties of perjury, that the foregoing is true and correct, based upon my personal knowledge.

Dated: September 16, 2003
Washington, D.C.

A handwritten signature in cursive script, reading "Morrison G. Cain", is written above a horizontal line.

MORRISON G. CAIN



September 18, 2003

International Mass Retail Association

THE WORLD'S LEADING ALLIANCE OF RETAILERS AND SUPPLIERS.

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Editorial Staff: Nikki Bernstein/Editor

obstacle: early polls show Springer has high name recognition but low levels of support. If elected to the Senate, he can't seek even higher office; born in London, England,

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Notice of Debit-Card Settlement

As you know, Visa and MasterCard have each separately agreed to settle the anti-trust claims of representatives of a class of over five million merchants brought to challenge Visa and MasterCard's requirement that merchants to accept off-line, signature-based debit cards at higher-than-competitive rates.

In separate agreements, MasterCard agreed to pay \$1 billion and Visa \$2 billion for their respective portions of the settlements, Visa and MasterCard have already deposited \$20 million and by July 15, 2003, each an additional \$330 million. Additional payments of \$300 million will be due in each of the next two months.

Defendants have also agreed to numerous changes in their business practices, including the discontinuation of signature and other debit products, starting August 1. The resulting reduction in merchant fees is expected to be about \$1 billion.

Here's a summary of the procedures for finalizing the settlement process. In June 2003, the settlement agreement was entered, submitted to and approved by the presiding judge. First-class mail notices have been sent to class members, and notification will continue throughout this month. **Click here** for a complete list of class members. A settlement agreement has been posted on the IMRA homepage.

The court will receive motions on the plaintiffs' allocation plan, which will include how much each party will share of the settlement proceeds and be finalized by August 18. Comments and objections from class members by September 5. The judge will hold a hearing on the fairness of the settlement. The settlement approval may come as early as mid-October.

Until these steps are completed, there will be no final decision on how much, and when, each party of the retail class will receive their initial payments from the settlement fund. IMF members with pending settlements or related procedures should contact Moe Cain in the IMRA office (moe@imra.org).

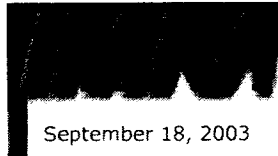
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September 18, 2003

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Editorial Staff: Nikki Bernstein/Editor

Contributors: Rhett Asher, Moe Cain, Kathryn Lavriha, Jason T

An Open Letter to Merchants From the Lead Counsel in the Debit-Card La

Lloyd Constantine, of the New York law firm of Constantine and Partners, is the lead counsel for the class of over five million merchants in the antitrust lawsuit against Visa and MasterCard over anti-competitive practices affecting merchants who accept debit cards.

A settlement has been reached, preliminarily approved by the judge who presided over the lawsuit, awaiting any objections from merchants and final approval from the district court for September 25 in Brooklyn, New York.

Go to <http://www.imra.org/public/pages/index.cfm?pageid=3787> to read Lloyd C

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Notice of Debit-Card Settlement

As you know, Visa and MasterCard have each separately agreed to settle the anti-trust lawsuit with representatives of a class of over five million merchants brought to challenge Visa and MasterCard's requirement that merchants accept off-line, signature-based debit cards at higher-than-competitive rates.

In separate agreements, MasterCard agreed to pay \$1 billion and Visa \$2 billion to settle the lawsuit. Under the settlements, Visa and MasterCard have already deposited \$20 million and by September 15 will have deposited an additional \$330 million. Additional payments of \$300 million will be due in each of the next two years.

Defendants have also agreed to numerous changes in their business practices, including changes to their signature and other debit products, starting August 1. The resulting reduction in interest rates is expected to be about \$1 billion.

Here's a summary of the procedures for finalizing the settlement process. In June, the settlement agreement was entered, submitted to and approved by the presiding judge. First-class mail notices were sent to class members, and notification will continue throughout this month. Go to <http://www.imra.org/public/pages/index.cfm?pageid=3752> for a copy of the official notice. It has also been posted on the IMRA website.

The court will receive motions on the plaintiffs' allocation plan, which will include how the settlement proceeds will be shared and be finalized by August 18. Comments and objections from class members by September 5. The judge will hold a hearing on the fairness of the settlement. The settlement approval may come as early as mid-October.

Until these steps are completed, there will be no final decision on how much, and when, the retail class will receive their initial payments from the settlement fund. IMF members or related procedures should contact Moe Cain at mcain@imra.org.

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Legal Notice of Class Action Settlement

IF YOU OR YOUR COMPANY HAVE ACCEPTED MASTERCARD AND/OR VISA CARDS FOR PAYMENT AT ANY TIME FROM OCTOBER 25, 1992 THROUGH JUNE 21, 2003, YOU MAY BE ELIGIBLE TO RECEIVE BENEFITS.

Your rights may be affected. Please read this Court-ordered Class Action Notice.

If you or your company have accepted MasterCard or Visa-branded credit cards or debit cards as payment for goods or services at any time from October 25, 1992 to June 21, 2003, you or your company may be affected by the settlement of a class action lawsuit pending in the United States District Court for the Eastern District of New York styled *In re Visa Check/MasterMoney Antitrust Litigation (a/k/a Wal-Mart Stores, Inc. et al. v. Visa U.S.A. Inc. and MasterCard International, Inc.)*, No. CV-96-5238. Defendants Visa and MasterCard have entered into separate settlement agreements by which they would, among other things, allow merchants to accept the Visa or MasterCard branded credit cards without accepting their debit cards (and vice versa), reduce the prices charged to merchants for off-line signature debit transactions for a period of time, and pay over ten years into a Settlement Fund amounts totaling \$3.05 billion (before payment of attorneys' fees, costs and expenses to be awarded by the Court).

If you are a member of this Class, you may be entitled to benefits if the settlement is approved, and you are encouraged to seek additional information about the settlement of the case, the nature of the claims, your right to object to the settlement and to participate in a fairness hearing, and your right to opt-out of the settlement if you are a New Merchant (*i.e.*, if you first began accepting Visa and/or MasterCard cards for payment after June 21, 2002).

PLEASE NOTE THE FOLLOWING IMPORTANT DATES:

Filing of Plan of Allocation/Distribution of Settlement Proceeds: August 18, 2003
Filing of Class Counsel Application for Fees, Costs and Expenses: August 18, 2003
Deadline for All Class Members to Object/New Merchants to Opt-out: September 5, 2003
Fairness Hearing: September 25, 2003

**FOR DETAILED INFORMATION
AND TO OBTAIN A COPY OF THE COMPLETE NOTICE, VISIT THE WEBSITE AT
www.InReVisaCheck-MasterMoneyAntitrustLitigation.com**

**OR CONTACT THE CLAIMS ADMINISTRATOR
The Garden City Group, Inc.
P.O. Box 9000-6014
Merrick, NY 11566-9000
Attn: In Re Visa Check/MasterMoney Antitrust Litigation
Toll-free: 1 (888) 641-4437**

**OR CONTACT LEAD COUNSEL FOR THE PLAINTIFFS,
Constantine & Partners, (212) 350-2799, www.cpony.com**

EXCEPT AS INSTRUCTED IN THE NOTICE, PLEASE DO NOT CONTACT THE COURT.

Dear Merchant:

I write to you as lead counsel for the five million U.S. merchants who are members of the class in the *Visa Check/MasterMoney Antitrust Litigation*. As you probably know, settlements were reached with Visa and MasterCard in June and these settlements will be presented to the Court with a request for final approval later this summer. However, certain events involving your company and the settlements are starting to occur even prior to final court action.

The settlements required Visa and MasterCard to significantly lower the interchange rates which apply to off-line signature debit card transactions on August 1, 2003. These lowered rates will be in effect until the end of this year. These rate reductions are intended to benefit merchants. It is important for you to ask the firm that processes your Visa and MasterCard debit transactions about these reductions in the interchange rates, which are part of the discount rate you pay for these debit transactions.

The settlements also provide that on January 1, 2004 all merchants will, for the first time, be free to accept Visa and MasterCard credit card transactions but refuse to accept off-line signature debit transactions or vice versa. The debit and credit products will be "untied." Each merchant has an individual decision to make about whether or not to continue accepting the debit and credit products when they are untied next January. Later this year, I will write to you again about that decision, and about how the pricing of those transactions may affect your individual decision. I will explain the procedure specified in the settlements for you to make this important decision about the forms of payment you may choose to continue accepting or stop accepting.

Sincerely,

A handwritten signature in black ink that reads "Lloyd Constantine". The signature is written in a cursive, flowing style.

Lloyd Constantine