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Statement from Constantine & Partners, Merchants' Lead Counsel in  
VisaCheck/MasterMoney Antitrust Litigation

**More Than 8.1 Million Notices of Settlement Sent to Merchants in the Visa/MasterCard  
Merchants' Antitrust Litigation**

NEW YORK, July 22, 2003 – In the first stage of implementing a historic and landmark settlement, the largest ever in an antitrust case, 8,148,276 notices to the merchants and other entities who are class members in the lawsuit against Visa U.S.A. Inc. and MasterCard International, Inc. have been mailed. Summary notices are appearing in national publications through August 4, 2003; a copy of the summary notice by publication is attached to this release.

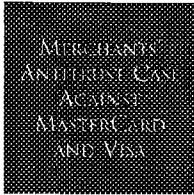
**Case Background**

More than six years ago, in October of 1996, the merchants filed suit against MasterCard and Visa because they were attempting to monopolize the debit card market just as they have monopolized the credit card market. The merchants also challenged Visa and MasterCard's enforcement of their "Honor All Cards" tying rule, which illegally forced merchants who accept their credit cards also to accept their slow, fraud-prone, excessively priced and deceptively designed debit cards. The case was certified as a class action in February of 2000, and the trial was set to commence on April 28, 2003, following the defendants' unsuccessful appeals of the class certification decision and supplementation of summary judgment motions.

On the eve of trial, the parties agreed to the settlements. Final settlement agreements were signed on June 4, 2003 and the federal judge overseeing the case, Hon. John Gleeson, granted preliminary approval to the settlements and the notice plan on June 13, 2003. Any objections to the terms of the settlements and plan of allocation are due to be filed by September 5, 2003, and a fairness hearing will take place on September 25, 2003, in U.S. District Court for the Eastern District of New York before Judge John Gleeson.

**Settlement Terms**

Under the settlements, Visa is set to pay \$2.025 billion to merchants over the next 10 years and MasterCard is set to pay \$1.025 billion over the same period. By December 22, 2003, Visa and MasterCard must pay \$350 million to the settlement fund and then pay \$300 million every year for the next nine years. According to the American Bar Association, the \$3.05 billion total settlement is the largest ever in an antitrust case. Lloyd Constantine, a principle in the New York firm Constantine & Partners, the lead counsel for the merchants, says "The changes in



Visa and MasterCard's business practices, beginning August 1, will bring even larger economic benefits for merchants as offline debit interchange fees drop. In the long run, this settlement offers more choice and more competitive pricing for merchants and consumers."

The agreements also state that Visa and MasterCard will lower fees on offline signature debit card transactions beginning August 1, 2003, saving merchants as much as \$1 billion for the remainder of this year. As of January 1, 2004, merchants will no longer be forced to comply with the credit card associations' tying arrangements that required them to accept all Visa and MasterCard debit card products if they accepted the associations' credit cards.

#### **Will consumer choice be affected by the Settlements?**

"This settlement will expand consumers' payment choices. For more than a decade Visa, MasterCard and their member/owner banks have suppressed the faster, safer and less expensive online PIN debit transactions," Constantine said. "Once the terms of the settlements have been fully approved and implemented, consumers will be able to freely choose the way they pay without economic coercion, which Visa and MasterCard have used against consumers and merchants."

#### **Allocation of Settlement Funds Among Millions of Class Members**

While the terms of the settlements call for payments over ten years, both Visa and MasterCard have agreed to cooperate in an effort to secure financing to allow all payments to be made to merchants over the next year. "This process would save a significant amount in administrative costs, upwards of \$100 million, so we expect that the total of the payments that merchants would receive over the next year would be worth significantly more than the total they would have received in 10 checks over nine years," said Constantine.

"The payout to merchants will be easy, fair, and equitable. The payment amount will be based on a merchant's volume of debit and credit card transactions between October 25, 1992 and July 31, 2003, the day before the new off-line debit pricing is to go into effect," said Constantine. Visa and MasterCard have agreed to make their transaction database available so that notice and the allocation of payments to merchants will be completed quickly, cost effectively, and accurately. "In effect, this will mean most merchants will be able to receive a claim with minimal paperwork, and need to do nothing until they receive a claim form in the mail after final approval," said Constantine. "If a merchant questions the payment they will be able to complete a more detailed form to ensure that they receive the proper payment." The final plan of allocation will be filed with the Court and posted on the case website (*InReVisaCheck-MasterMoneyAntitrustLitigation.com*) by August 18, 2003.