

# To merchants who have accepted Visa and Mastercard at any time from January 1, 2004 to January 25, 2019: Notice of a class action settlement of approximately \$5.54-6.24 Billion.

*Si desea leer este aviso en español, llámenos o visite nuestro sitio web, [www.PaymentCardSettlement.com](http://www.PaymentCardSettlement.com).*

*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 certain 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; 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. The Court has given preliminary approval to this settlement.

## THE SETTLEMENT

Under the settlement, Visa, Mastercard, and the bank defendants have agreed to provide approximately \$6.24 billion in class settlement funds. Those funds are subject to a deduction to account for certain merchants that exclude themselves from the Rule 23(b)(3) Settlement Class, but in no event will the deduction be greater than \$700 million. The net class settlement fund will be used to pay valid claims of merchants that accepted Visa or Mastercard credit or debit cards at any time between January 1, 2004 and January 25, 2019.

This settlement creates the following Rule 23(b)(3) Settlement Class: All persons, businesses, and other entities that have accepted any Visa-Branded Cards and/or Mastercard-Branded Cards in the United States at any time from January 1, 2004 to January 25, 2019, except that the Rule 23(b)(3) Settlement Class shall not include (a) the Dismissed Plaintiffs, (b) the United States government, (c) the named Defendants in this Action or their directors, officers, or members of their families, or (d) financial institutions that have issued Visa-Branded Cards or Mastercard-Branded Cards or acquired Visa-Branded Card transactions or Mastercard-Branded Card transactions at any time from January 1, 2004 to January 25, 2019. The Dismissed Plaintiffs are plaintiffs that previously settled and dismissed their own lawsuit against a Defendant, and entities related to those plaintiffs. If you are uncertain about whether you may be a Dismissed Plaintiff, you should call 1-800-625-6440 or visit [www.PaymentCardSettlement.com](http://www.PaymentCardSettlement.com) for more information.

## WHAT MERCHANTS WILL GET FROM THE SETTLEMENT

Every merchant in the Rule 23(b)(3) Settlement Class that does not exclude itself from the class by the deadline described below and files a valid claim will get money from the class settlement fund. The value of each claim 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 January 25, 2019. *Pro rata*

payments to merchants who file valid claims for a portion of the class settlement fund will be based on:

- The amount in the class settlement fund after the deductions described below,
- The deduction to account for certain merchants who exclude themselves from the class,
- Deductions for the cost of settlement administration and notice, applicable taxes on the settlement fund and any other related tax expenses, money awarded to the Rule 23(b)(3) Class Plaintiffs for their service on behalf of the Class, and attorneys' fees and expenses, all as approved by the Court, and
- The total dollar value of all valid claims filed.

Attorneys' fees and expenses and service awards for the Rule 23(b)(3) Class Plaintiffs: For work done through final approval of the settlement by the district court, Rule 23(b)(3) Class Counsel will ask the Court for attorneys' fees in an amount that is a reasonable proportion of the class settlement fund, not to exceed 10% of the class settlement fund, 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 the funds, and litigate any appeals, Rule 23(b)(3) Class Counsel may seek reimbursement at their normal hourly rates. Rule 23(b)(3) Class Counsel will also request (i) an award of their litigation expenses (not including the administrative costs of settlement or notice), not to exceed \$40 million and (ii) up to \$250,000 per each of the eight Rule 23(b)(3) Class Plaintiffs in service awards for their efforts on behalf of the Rule 23(b)(3) Settlement Class.

## 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 Rule 23(b)(3) Settlement Class, you will receive a claim form in the mail or by email. Or you may ask for one at: [www.PaymentCardSettlement.com](http://www.PaymentCardSettlement.com), or call: 1-800-625-6440.

## 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.** Once you receive a claim form, you can submit it via mail or email, or may file it online at [www.PaymentCardSettlement.com](http://www.PaymentCardSettlement.com).
- **Exclude yourself** from the Rule 23(b)(3) Settlement Class. If you exclude yourself, you can individually sue the Defendants 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 **July 23, 2019**, or send it by overnight delivery shown as sent by **July 23, 2019**, to Class Administrator, Payment Card Interchange Fee Settlement, P.O. Box 2530, Portland, OR 97208-2530. Your 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 Rule 23(b)(3) Settlement Class, and what position or authority you have to exclude the merchant, and (4) the business names, brand names, "doing business as" names, taxpayer identification number(s), and addresses of any stores or sales locations whose sales the merchant desires to be excluded. You also are requested to provide for each such business or brand name, if reasonably available: the legal name of any parent (if applicable), dates Visa or Mastercard card acceptance began (if after January 1, 2004) and ended (if prior to January 25, 2019), names of all banks that acquired the Visa or Mastercard card transactions, and acquiring merchant ID(s).

- **Object to the settlement.** The deadline to object is **July 23, 2019**. To learn how to object, visit [www.PaymentCardSettlement.com](http://www.PaymentCardSettlement.com) or call 1-800-625-6440. Note: If you exclude yourself from the Rule 23(b)(3) Settlement Class you cannot object to the settlement.

For more information about these rights and options, visit: [www.PaymentCardSettlement.com](http://www.PaymentCardSettlement.com).

## IF THE COURT APPROVES THE FINAL SETTLEMENT

Members of the Rule 23(b)(3) Settlement Class who do not exclude themselves by the deadline will be bound by the terms of this settlement, including the release of claims against the released parties provided in the settlement agreement, whether or not the members file a claim for payment.

The settlement will resolve and release claims by class members for monetary compensation or injunctive relief against Visa, Mastercard, or other defendants. The release bars the following claims:

- Claims based on conduct and rules that were alleged or raised in the litigation, or that could have been alleged or raised in the litigation relating to its subject matter. This includes any claims based on interchange fees, network fees, merchant discount fees, no-surcharge rules, no-discounting rules, honor-all-cards rules, and certain other conduct and rules. These claims are released if they already have accrued or accrue in the future up to five years following the court's approval of the settlement and the resolution of all appeals.
- Claims based on rules in the future that are substantially similar to – i.e., do not change substantively the nature of – the above-mentioned rules as they existed as of preliminary approval of the settlement. These claims based on future substantially similar rules are released if they accrue up to five years following the court's approval of the settlement and the resolution of all appeals.

The settlement's resolution and release of these claims is intended to be consistent with and no broader than federal law on the identical factual predicate doctrine.

The release does *not* extinguish the following claims:

- Claims based on conduct or rules that could not have been alleged or raised in the litigation.
- Claims based on future rules that are not substantially similar to rules that were or could have been alleged or raised in the litigation.
- Any claims that accrue more than five years after the court's approval of the settlement and the resolution of any appeals.

The release also will have the effect of extinguishing all similar or overlapping claims in any other actions, including but not limited to the claims asserted in a California state court class action brought on behalf of California citizen merchants and captioned *Nuts for Candy v. Visa, Inc., et al.*, No. 17-01482 (San Mateo County Superior Court). Pursuant to an agreement between the parties in *Nuts for Candy*,

subject to and upon final approval of the settlement of the Rule 23(b)(3) Settlement Class, the plaintiff in *Nuts for Candy* will request that the California state court dismiss the *Nuts for Candy* action. Plaintiff's counsel in *Nuts for Candy* may seek an award in *Nuts for Candy* of attorneys' fees not to exceed \$6,226,640.00 and expenses not to exceed \$493,697.56. Any fees or expenses awarded in *Nuts for Candy* will be separately funded and will not reduce the settlement funds available to members of the Rule 23(b)(3) Settlement Class.

The release **does not** bar the injunctive relief claims or the declaratory relief claims that are a predicate for the injunctive relief claims asserted in the pending proposed Rule 23(b)(2) class action captioned *Barry's Cut Rate Stores, Inc., et al. v. Visa, Inc., et al.*, MDL No. 1720, Docket No. 05-md-01720-MKB-JO ("*Barry's*"). Injunctive relief claims are claims to prohibit or require certain conduct. They do not include claims for payment of money, such as damages, restitution, or disgorgement. As to all such claims for declaratory or injunctive relief in *Barry's*, merchants will retain all rights pursuant to Rule 23 of the Federal Rules of Civil Procedure which they have as a named representative plaintiff or absent class member in *Barry's*, except that merchants remaining in the Rule 23(b)(3) Settlement Class **will release** their right to initiate a new and separate action for the period up to five (5) years following the court's approval of the settlement and the exhaustion of appeals.

The release also does not bar certain claims asserted in the class action captioned *B&R Supermarket, Inc., et al. v. Visa, Inc., et al.*, No. 17-CV-02738 (E.D.N.Y.), or claims based on certain standard commercial disputes arising in the ordinary course of business.

For more information on the release, see the full mailed Notice to Rule 23(b)(3) Settlement Class Members and the settlement agreement at: [www.PaymentCardSettlement.com](http://www.PaymentCardSettlement.com).

## THE COURT HEARING ABOUT THIS SETTLEMENT

On **November 7, 2019**, there will be a Court hearing to decide whether to approve the proposed settlement. The hearing also will address the Rule 23(b)(3) Class Counsel's requests for attorneys' fees and expenses, and awards for the Rule 23(b)(3) Class Plaintiffs for their representation of merchants in MDL 1720, which culminated in the settlement agreement. 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 LLP, Berger Montague PC, and Robbins Geller Rudman & Dowd LLP as Rule 23(b)(3) Class Counsel to represent the Rule 23(b)(3) Settlement Class.

## 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](http://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](mailto:info@PaymentCardSettlement.com)

Please check [www.PaymentCardSettlement.com](http://www.PaymentCardSettlement.com) for any updates relating to the settlement or the settlement approval process.