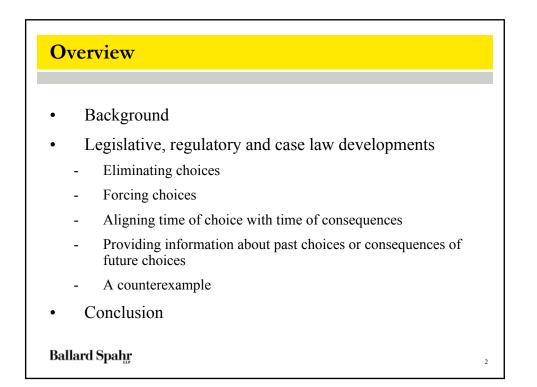
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Legislative, Regulatory and Case Law Developments Affecting Consumer Choice in Payments

Payment Innovation in the Wake of the Financial Crises Federal Reserve Bank of Chicago May 20, 2010

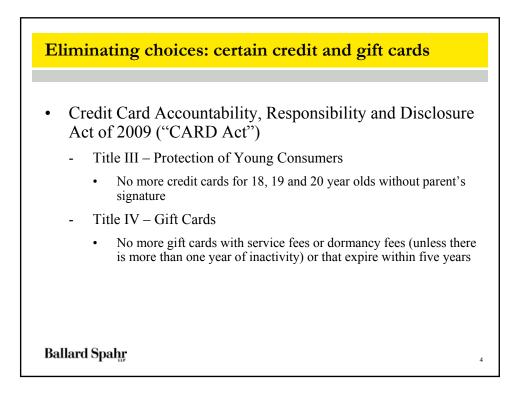
Mark J. Furletti Consumer Financial Services Group Ballard Spahr LLP 1735 Market Street, 51st Floor Philadelphia, PA 19103-7599 215.864.8138 furlettim@ballardspahr.com

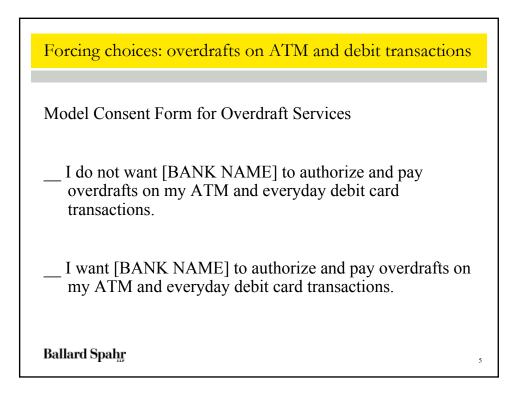


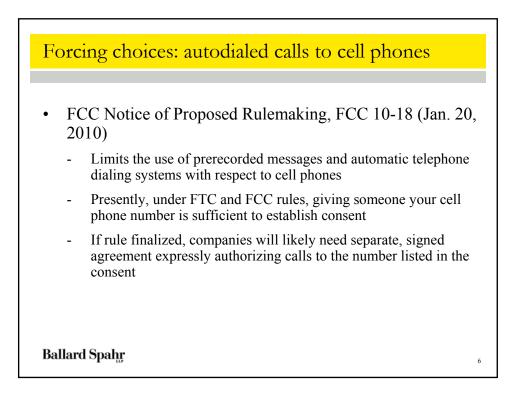


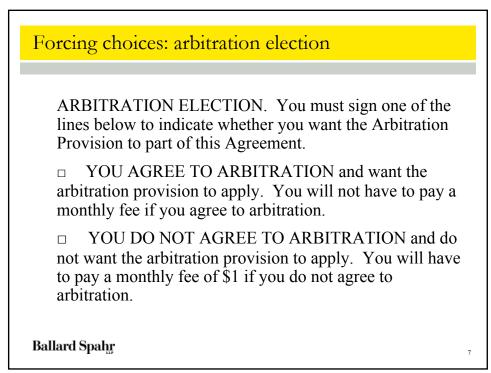
- Payroll cards and New York Dept. of Labor Letter (10/29/09)
  - Places unprecedented requirements on payroll cards
  - Even with employee consent:
    - No account maintenance fees
    - No card replacement fees
    - No fees for withdrawing wages
  - Effectively kills product

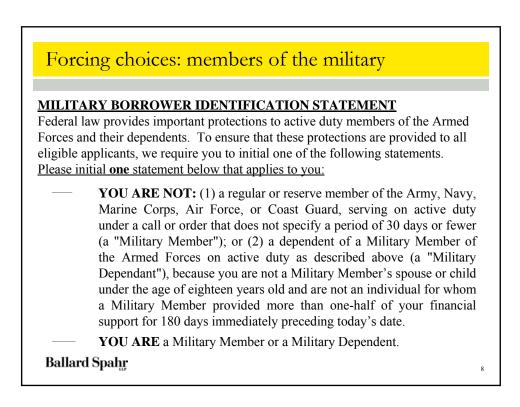
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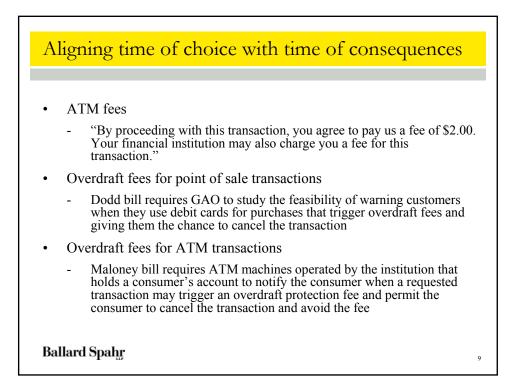


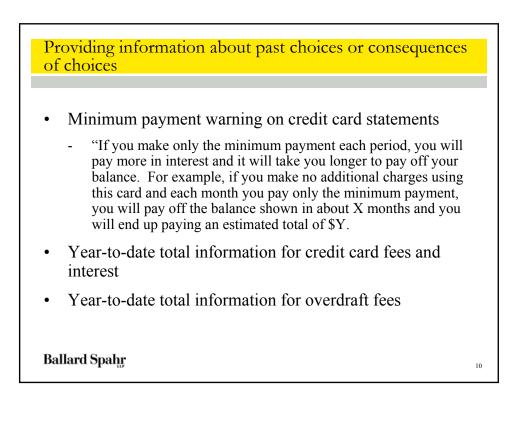














- Remotely-created checks (RCCs)
  - No federal laws governing method of authorization
  - Generally no state regulation except for UCC
  - No private rules akin to NACHA's rules for TEL entries governing method of authorization
  - RCC shenanigans are generating lots of litigation and very expensive settlements

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