

## Credit Card Lawsuit Means Money for Merchants

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Retailers have recently put together a \$7.5 billion class action lawsuit against the credit card companies Visa Inc. and MasterCard Worldwide of allegations involving overcharging for interchange fees. This lawsuit presents an opportunity for merchants to receive thousands of dollars through the proposed settlement.

The settlement is divided into two parts, the Cash Settlement Fund and the Interchange Fund. Money from the first fund, worth approximately \$6.05 billion will be distributed to merchants based on the volume of card payments made to the two companies between the period of Jan 1, 2004 and Nov 28, 2012. The second fund will be distributed after an eight month period starting no later than July 2013, and the distribution of funds worth around \$1.2 billion will be based on the card transactions during that period.

While there are not hard numbers on the expected compensations merchants will receive, early estimates put the receivables close to \$500 per \$100,000 in card payments per year over the nine year period. For the second fund, ten basis points will be calculated from the given month's transactions. So \$10,000 in one month's transactions will yield \$10 from the settlement.

Merchants must file the proper paperwork with the claims administrator to take part in the settlement. Without this, merchants not only lose their rights to the settlement funds as well as the right to sue credit card companies for past issues. The deadline for filing a claim will be set after the September 12 hearing of the lawsuit. Visit [www.settlementfactsheet.com](http://www.settlementfactsheet.com) to learn more about the settlement. Information will be updated up to and after the hearing.