

VISA AND MASTERCARD SETTLE ANTITRUST CASE AFTER JURY SELECTION

Brooklyn, New York

May 1, 2003

The Largest Settlement or Judgment in Antitrust History, with a Net Settlement Fund of \$3.05 Billion Established

Visa USA and MasterCard International folded yesterday, agreeing to pay a total of three billion dollars to a national class of merchants which had alleged antitrust violations dating back more than ten years. The merchants, led by Wal-Mart, Sears and Circuit City, had contended that Visa and MasterCard used their monopoly power in the credit card market to force merchants to accept both credit and debit cards, while charging the merchants excessive fees on debit card transactions. Under the terms of the settlement, announced publicly today, both Visa and MasterCard agreed to give retailers the choice of accepting one or both cards, limiting the "Honor All Cards Rule", and allowing retailers to use the less expensive regional debit card networks like NYCE, MAC and STAR. In addition, the retailers will pay less to the companies in transaction fees which will transform competition in the debit card industry. Under the old rules, Visa and MasterCard charged merchants up to ten times the amount charged by smaller, competing debit card networks.

Jury selection had started on Monday in Federal Court in Brooklyn before Judge John Gleason, and had resulted in the selection of twelve jurors for the trial that was scheduled to last three months. Ongoing settlement discussions intensified immediately afterward.

LSL coordinated and analyzed jury focus groups and a full week mock trial that greatly assisted plaintiffs' counsel in refining their presentations of information and materials, including graphics, for use at trial, and determining the ideal jury composition. Louis Genevie and Daniel Cooper of Litigation Strategies, Ltd. assisted Lloyd Constantine, Bob Beigleiter and Mitch Shapiro Of Constantine & Partners, lead counsel for the merchants.



- **Strategic Research**
- **Witness Preparation**
- **Demonstrative Exhibits**

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