STATE OF CALIFORNIA
**STANDARD AGREEMENT**
STD. 213 (NEW 02/98)

| | AGREEMENT NUMBER |
|---|---|
| | MSA DGS NOVA |

1. This Agreement is entered into between the State Agency and the Contractor named below
   STATE AGENCY'S NAME
   Department of General Services
   CONTRACTOR'S NAME
   Nova Information Systems, Inc. / US Bank
2. The term of this Agreement is: May 1, 2002 through April 30, 2005
3. The maximum amount of this Agreement is: $ 0

The contractor agrees to provide services as set forth in the Terms & Conditions of this Master Services agreement (MSA) and in any and all documents referenced.

The following portions of Nova Information System's bid is incorporated into the MSA:
Pages 1-10, 16-70, Government Merchant Processing Agreement pages 1-13, Nova Information Systems, Inc. Management, Nova California Client Listing, Payee Data Records, CCC 201, Sample Invoice, and Convenience Fee Schedule.

Request for Proposal, RFP-DGS-OFA-01-CPAS is hereby made part of this agreement, incorporated by reference, and on file with the DGS / Office of Fleet Administration (OFA), including all attachments identified and incorporated therein.

General Terms and Conditions (GTC 201) updated 2-20-01 are hereby incorporated by reference and made part of this agreement. GTC 201 can be found at www.dgs.ca.gov/contracts.

The State of California, Department of General Services (DGS) is the agency awarding this MSA. Nova Information Systems, Inc. is the contractor that will support credit and debit card processing and is responsible for settling credit card transactions to a bank account designated by the State.

The following fourteen (14) items are incorporated into this MSA and are listed on the following 3 pages.

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

| CONTRACTOR | | CALIFORNIA Department of General Services Use Only |
|---|---|---|
| CONTRACTOR'S NAME *(If other than an individual, state whether a corporation, partnership, etc.)* Nova Information System, Inc. / US Bank | | bjp |
| BY *(Authorized Signature)* Susan H Ford | DATE SIGNED *(Do not type)* 3-25-02 | |
| PRINTED NAME AND TITLE OF PERSON SIGNING Susan Ford VP | | APPROVED APR - 3 2002 DEPT OF GENERAL SERVICES |
| ADDRESS 219 Perimeter Center Parkway Atlanta, GA 30346-1649 | | |
| **STATE OF CALIFORNIA** | | |
| AGENCY NAME Department of General Services / Office of Fleet Administration | | |
| BY (Authorized Signature) | DATE SIGNED *(Do not type)* | |
| PRINTED NAME AND TITLE OF PERSON SIGNING | | |
| ADDRESS 802 Q Street, Sacramento, CA 95814 | | ☐ Exempt per _____ |

1. **Term**
   This MSA shall be for a three year term beginning May 1, 2002 through April 30, 2005. In addition, DGS reserves the right, at the conclusion of the contract term, to renew the contract for two additional, one-year periods. A written and approved amendment to extend the contract is required for each extension.

2. **Conflict**
   In the event of a conflict between the RFP language and the MSA language the terms and conditions of the RFP shall prevail. In the event of a conflict between the MSA language and the language of any document(s) incorporated by reference, other than RFP-DGS-OFA-01-CPAS, the MSA language will prevail. In case of conflict between the RFP and the contractor's proposal, the RFP will prevail. In the event of a conflict between the MSA language and any subscription agreement, the terms and conditions of the MSA take precedence.

3. **Purpose**
   Upon approval of this agreement, the basic services to be offered include credit and debit card acceptance and processing services for state agencies, universities, and city/county/local agencies. The State is seeking to implement as many payment vehicles as are practical and secure to improve its efficiency and the level of service experienced by all parties which pay the state money. Accordingly, the contractor may add materials, new features to the services, or offer new electronic information services and payment technologies. Any changes in terms and conditions established by contractor for new materials, features, or electronic information services and payment technologies must be approved by DGS in writing.

4. **Subscription Agreements**
   Under the MSA, individual subscribers should establish subscription agreements with the contractor in accordance with their specific requirements. The contractor will be able to provide solutions to the particular requirements of subscribers regarding accounting practices, information requirements associated with some payments, and recovery of costs associated with card acceptance. The subscription agreements executed between the contractor and the subscribing agency shall incorporate the MSA. Subscribing agencies should complete the Standard Agreement, Form 213 or appropriate equivalent contract form.

   To better meet the specific needs of the subscribing agency, a subscription agreement may contain a particular set of terms and conditions, as mutually agreed, provided that:

   - They comply with, and meet all requirements of the codes and regulations of the State of California,
   - There are no conflicts with the terms and conditions of the MSA and RFP.

5. **Pricing**
   In consideration of the contractor's processing services, subscribers will pay in arrears pricing based on the pricing grid provided on pages 64-68.

6. **Visa and MasterCard Interchange Assessment Rates**
   The pricing specified is subject to fluctuations in the Visa and MasterCard interchange assessment rates. These rates are outside of the control of the State of California and the Contractor. Both increases and decreases in the rates are to be passed on to the State in the form of changes in the official interchange assessment rates from Visa and MasterCard. The contractor, will send to each subscriber and to the DGS contact person, notices

documenting all pricing adjustments resulting from official changes in interchange assessment rates.

7. **Credit Card Acceptance Official Contact Persons**
Any reports and notices required under the MSA shall be in writing and delivered to the appropriate addresses below. The contractor is responsible for notifying all subscribing agencies in the form of a written letter of any changes to a contact person, address, phone numbers, or any other information deemed important to the day to day operation of the credit card acceptance program.

James Sapnaro
Department of General Services
Office of Fleet Administration
802 Q Street
Sacramento, CA 95814

E-mail: james.sapnaro@dgs.ca.gov
Phone: (916) 322-9017
Fax: (916) 327-1159

Michelle Harrison-Carter
Nova Information Systems, Inc.
1340 Hudspeth Street
Simi Valley, CA 93065

E-mail: michelle.harrison-carter@novainfo.com
Phone: (805) 581-9227
Fax: (808) 581-9251

8. **Financial Liability**
Each subscriber is responsible for payment for credit card acceptance services, subject to appropriations of their controlling body. The State does not accept liability of non state subscribers (cities, counties, local governments, and political subdivision).

9. **Severability**
If any provisions of this MSA is held by a court of competent jurisdiction to be void or unenforceable, the remainder of this MSA shall remain in full force and effect.

10. **Invoicing**
Each subscriber shall provide billing information (mailing address, contact person, etc.) as requested by the contractor. The contractor shall bill each subscriber monthly for services and equipment, if applicable. The invoice shall reference the MSA number, subscriber's subscription agreement contract number, and month of billing period. The contractor will provide a telephone number, fax number, and address to each subscriber for billing comments or inquiries.

11. **Card Payment Deposits**
All participating state agencies are required to open a zero balance account (ZBA) at a selected Centralized Treasury System (CTS) bank to accept card payment transactions. The contractor shall transmit the total amount to the card payment transactions, less the amount of any convenience fees, for each agency tot he appropriate ZBA each day. Either automated Clearing House (ACH) or Fedwire may be used. The vendor may not debit or reduce any payment transaction in the ZBA. The contractor shall settle in gross daily and process chargebacks and adjustments through invoicing the subscriber.

12. **American Express and Discover Card**
The contractor will provide processing (authorization, capture, and routing) for American Express and/or Discover Card once subscribers have completed a separate subscription agreement with American Express and / or Discover Card. Settlement will be made directly to the State by American Express and/or Discover Card.

**13. No Additional Requirements or Qualifications**

The contractor agrees that no additional requirements or qualifications to the terms and conditions of this agreement beyond what is required by federal and state laws and regulations, or by Visa and MasterCard operating rules and regulations, or by prudent operating requirements, shall be made in carrying out the contractor's stated obligations herein.

**14. Debit Card Sales**

The State is permitted to process debit card sales and agrees to comply with the operating rules and regulations of the participating debit card networks.

NOVA Information Systems, Inc.
One Concourse Parkway
Suite 300
Atlanta, GA 30328

(770) 396-1456 Office
(770) 396-2117 Fax

September 21, 2001

Mr. James Sapnaro
Contracts Administrator
Department of General Services
Office of Fleet Administration
802 Q Street
Sacramento, CA 95814

Dear Mr. Sapnaro:

Thank you for the opportunity to participate in the bidding process for the Card Payment Acceptance Services of the State of California. With a ten year track record of excellence paired with outstanding historical network availability, NOVA is prepared to partner with the State of California in an endeavor to expand the existing relationship to one that provides electronic payment acceptance to **all State agencies**.

In providing the payment solution, NOVA has joined forces with Official Payments Corporation, (OPC), the leading provider of electronic payment options to government entities. In addition to serving the IRS, 19 states, and 900+ local government entities, OPC has been providing Internet and IVR payment solutions to the State of California since 1996. California citizens have already shown their affinity for OPC's payment systems. In 2001, OPC successfully processed more than 27,000 IRS payments from California citizens totaling over $125 million, placing CA first among all states in both number and amount of transactions.

In the pages to follow, you will find a proposal that addresses both the current and future needs of Card Acceptance Services for the State of California by leveraging the power of the NOVA Network.

Sincerely,

Bobby Lawson, Jr

Sales Director-Public Sector

NOVA Information Systems, Inc.

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Section III Paragraph D-Introduction

*NOVA was founded in 1991 to provide technically sophisticated, service-oriented solutions to the credit card processing needs of the merchant community. Venture capital financing was provided by Warburg, Pincus, & Co. and WorldCom Inc.*
*NOVA Corp. is headquartered in Atlanta, Georgia and maintains sales offices in major cities nationwide and its operations center in Knoxville, TN. NOVA Corp., through its NOVA Information Systems, Inc. operating subsidiary, provides merchant processing services to more than 6000,000 merchants nationwide, generating annual bankcard sales with volume in excess of $62B, supported by more than 1,400 employees.*
*NOVA's rapid growth is primarily attributable to its acquisition of bank merchant portfolios. In recent years, many banks have exited the merchant processing business, due to the increased costs associated withfulfilling Visa and MasterCard technology requirements; communications network delivery; and merchant customer service and support.*

*NOVA's first major acquisition was the retail merchant portfolio of MBNA America, Inc. in October of 1992. Other notable NOVA bank merchant portfolio acquisitions include those of Boulder Bancorporation (1994), First Union National Bank (1996) and Crestar Bank (1997). NOVA recently formed joint ventures with Firstar Bank, USA and KeyCorp to supply credit card processing services to these institutions' combined 77,000 merchant clients. NOVA acquired the remaining merchant assets of MBNA in December 1997, entering into a ten-year joint marketing alliance. The acquisition of PMT Services, Inc. by NOVA Corp., finalized in September 1998, positions NOVA as the 3rd largest provider of merchant services in the U.S.*
*In July 2001, NOVA completed a merger with Minneapolis based US Bank. The structure of the deal places NOVA as the wholly owned subsidiary of US Bank and will maintain autonomy by continuing to operate corporate offices from Atlanta, GA. US Bank is publicly trade on the NYSE under the symbol USB.*
*NOVA's payment partner Official Payments Corporation (OPC), is a leading provider of electronic payment options to government entities, is pleased to present the State of California with the enclosed proposal of the company's award-winning Internet and Interactive Voice Response (IVR) payment solutions. These systems will enable the State to accept credit and PIN-less debit card payments via the OPC's proven and secure systems, engineered specifically for the public sector. The company's payment solutions enable citizens to transact using both leading edge Internet system, and the world's most common and understood terminal, the telephone. This combination of payment channels enables delivery of 96% of California citizens, comfortably supporting an evolution of payments as CA citizens move towards new technology.*

*OPC continues to grow. The company currently employs 98 people in two offices in San Ramon, CA and Stamford, CT. Since OPC began providing services for California in 1996, the company has grown to serve more than 900 clients, including the Internal Revenue Service. OPC has had the honor of serving government clients in the State of California since 1996 and looks forward to a continued and successful relationship.*

Page 16
Section III Paragraph E- Bidder Qualifications

*NOVA Information Systems, Inc. and Official Payments Corporation, prior to this proposal and at the time of this proposal, is an established business firm with all required licenses, bonding, facilities, equipment, and trained personnel necessary to perform work, as specified in this RFP.*

Page 16
Section III Paragraph F-Experience

*NOVA Information Systems, Inc. has been processing electronic payments since February 1991.*
*In the public sector, NOVA has been awarded several state contracts including the States of New Jersey, Virginia, and Wisconsin.*
*NOVA currently processes transactions for and supports 268 separate merchant accounts for the State of CA with a volume total over $326MM for fiscal year ending 2000.*
*OPC has been processing government payments electronically since 1996, when the company began accepting property tax payments in California. As word of the company's innovative systems spread, OPC signed many new government clients, nearly doubling the number of clients year-over-year. In 2000, OPC collected and processed over $925 million in federal, state and local government payments.*
*In 1999 OPC contracted with the IRS to accept electronic personal income tax payments through an IVR (telephone) system, and continues to do so. In 2001, the company expanded the contract with the IRS to include electronic payments accepted over the Internet. In addition, the IRS has just exercised an option to renew for an additional calendar year.*
*In 2000, OPC signed contracts to provide the company's electronic payment services, both IVR and Internet, to eleven states, bringing the company's total to 15 states. In 2001, so far, OPC has signed three more state partners, bringing the state partner total to 19. In addition, OPC has added services for numerous state clients. And, since the company's inception, OPC has signed more than 900 county and local governments in 48 states.*
*OPC partners directly with the government on federal, state, and local levels. OPC is the official credit card payment option partner of the IRS. In 2001, the company successfully processed more than 27,000 IRS payments from California citizens totaling nearly $125 million.*

*In addition to partnering with the State of California since 1996, OPC also partners with the states of Alabama, Arkansas, Connecticut, Illinois, Iowa, Kansas, Maryland, Minnesota, Mississippi, New Jersey, New York, Ohio, Oklahoma, Virginia, Washington, West Virginia, and Wisconsin, as the well as the District of Columbia and 900+ municipalities and counties in 48 states. The company currently provides over 1,500 payment services. For current clients, OPC processes a variety of payments including sales and use taxes: estimated, extension, balance-due, and past-due personal income taxes; real estate, personal property, and school district taxes; fines for speeding and other traffic rule violations; parking rule violations; public university tuition payments; water, electricity, and gas bills; and more.*
*In addition, OPC's technology has proven itself secure for over $925 million in tax and fee transactions in 2000. The company's proven relationships with American Express, MasterCard, Discover, and VISA are continually revisited to ensure OPC is in complete compliance with their rules and regulations.*

Page 16-17
Section III Paragraph G -Bidder's Profile
*Company Ownership and Structure*

*NOVA Information Systems, Inc. is a wholly owned subsidiary of Minneapolis, MN based US Bank. US Bank is publicly traded company (NYSE:USB).*
*OPC is a publicly traded company (NASDAQ: OPAY).*
*Please see Exhibit "A" for management organization chart, listing of senior management, board members association affiliations and team member responsibilities for NOVA and Official Payments Corporation. .*

*Annual Reports*

*Please see Exhibit "B" for NOVA and OPC 1999 and 2000 annual reports.*

*Ownership of other companies*

*US Bancorp currently owns investment firm Piper Jaffray. U.S. Bancorp Piper Jaffray (www.piperjaffray.com) is a division of Minneapolis-based U.S. Bancorp (NYSE:USB), the 8th largest financial services holding company in the United States with assets in excess of $160 billion.*
*NOVA Information Systems, Inc. does not own any other business entity. By request of the RFP, NOVA discloses that a partnership Official Payments Corporation (secondary respondent on this RFP response) is likely in the event that this contract is awarded to NOVA. The partnership will be structured to provide IVR and Internet Payment Services to the State of CA.*
*Official Payments currently does not own any other business entity.*

*Outsourced Functions*

*NOVA Information Systems does not outsource any services related to front end authorization. NOVA will provide settlement ties to any United States Banking institution. The settling bank of course completes the settlement by posting the ACH to the correct DDA account. NOVA may outsource data capture to a third party (Official Payments, Verisign etc) but will actual authorize, settle, bill, and fund merchants as a normal course of business. NOVA also reserves the right to develop an in-house solution.*
*OPC does not outsource any services related to authorization and settlement.*

*Structure and Tenure of relationships with all card associations and debit card networks*

*NOVA has been an authorized agent of VISA / MasterCard for 10 years. We consistently petition these associations on behalf of our larger customers in order to secure the best voice avaliable.*

*OPC currently partners with American Express, MasterCard and Discover and has done so since 1996. In addition to the merchant relationship, OPC has also developed in-depth marketing partnerships with each of the credit card companies to build program awareness and usage among credit cardmember.*
*In addition, OPC complies with all credit card association rules and regulations, and plans to work to enhance and strengthen these relationships even further.*

*NOVA Information System References*

| Client | Since | Contact Information | Services |
|---|---|---|---|
| State of New Jersey | 1999 | Joel Lass<br>44 S Clinton Ave<br>Trenton, NJ 08625<br>(609) 292-8250 | |
| State of Wisconsin | 1998 | Lisa Lehman<br>345 w Washington Ave<br>4th Floor<br>Madison, WI 53707<br>(608) 261-2319 | *Wireless Services for Highway Patrol and other general pay services* |
| State of California | 1995 | James Sapnaro<br>Dept of General Services<br>802 Q Street<br>Sacremento, CA 95814<br>(916) 327-0038 | *All transaction types for the Universities, DMV, and other agencies* |
| Commonwealth of VA | 2001 | Timothy Powers<br>Dept. of Treasury<br>101 N 14th Street 3rd Floor<br>Richmond, VA 23219<br>(804) 225-2647 | *All transaction types for ALL State agencies* |
| Vista Eye Care | 1998 | Melissa allen<br>296 Grayson Hwy<br>Lawrenceville, GA 30046<br>(770) 822-4224 | *General payment processing services* |
| AraMark | 1998 | Powell Parks<br>1101 Market Street<br>Philadelphia, PA 19107<br>(800) 999-8989 ext. 3406 | *General payment processing services* |

| | | | |
|---|---|---|---|
| Internal Revenue Service<br><br>Electronic Payments Processing | 1998 | Mr. Larry Faulkner<br>5000 Ellin Road<br>Lanham, MD 20706<br>202-283-4783 | Taxpayers can pay **Form 1040 – Tax Year 2000 Individual Income Tax Return, Form 4868 – Tax Year 2000 Application for Automatic Extension of Time to File**, and **Form 1040ES – Tax Year 2001 Estimated Taxes for Individuals** with a credit card via IVR by dialing **1-800-2PAY-TAX** or connecting to the Internet at www.officialpayments.com. A new contract was recently signed that runs through October 2002. |
| California Franchise Tax Board<br><br>Electronic Payments Processing | 1998 | Mr. Chris Reali<br>PO Box 1468<br>Sacramento, CA 95812<br>916-845-4445 | California taxpayers can pay Individual Income **Balance Due, Estimated** and **Extension Taxes**, as the well as **Delinquent Taxes**. In addition, Sales and Use Taxes and Benefits Overpayments can be made. Taxpayers can pay with a credit card via IVR by dialing **1-800-2PAY-TAX** or connecting to the Internet at www.officialpayments.com. |
| State of New Jersey<br><br>Electronic Payments Processing | 1999 | Ms. Janice Eckstein<br>PO Box 628<br>Trenton, NJ 08625<br>609-777-2809 | Taxpayers can now pay Individual Income **Balance Due, Fiduciary, Estimated**, and **Extension taxes**. NJ also accepts the following tax payments: **Sales and Use, Gross Withholding, Unemployment and Disability Contributions**, and **Deficiency Payments** for many types of tax. Taxpayers can pay with a credit card via IVR by dialing **1-800-2PAY-TAX** or connecting to the Internet at www.officialpayments.com. |
| State of Illinois<br><br>Electronic Payments Processing | 2000 | Mr. Gary Miller<br>101 W. Jefferson.<br>5-247<br>Springfield, IL 62702<br>217-524-4760 | **Balance Due, Estimated** and **Extension Taxes**, as the well as **Delinquent Taxes**. Taxpayers can pay with a credit card via IVR by dialing **1-800-2PAY-TAX** or connecting to the Internet at www.officialpayments.com. |
| State of Connecticut<br><br>Electronic Payments Processing | 1999 | Mr. Kevin Forsa<br>25 Sigourney St.<br>Hartford, CT 06106<br>860-297-5660 | Connecticut taxpayers can pay **Individual Income Balance Due, Estimated and Extension Taxes.** Taxpayers can pay with a credit card via IVR by dialing 1-800-2PAY-TAX or connecting to the Internet at www.officialpayments.com. |
| State of New York<br><br>Electronic Payments Processing | 2000 | Mr. Andy Morris<br>Harriman Office Campus Bldg. 8<br>Albany, NY 12227<br>518-485-7058 | New York taxpayers can pay **Individual Income Balance Due, Estimated and Extension Taxes.** Taxpayers can pay with a credit card via IVR by dialing 1-800-2PAY-TAX or connecting to the Internet at www.officialpayments.com. |

*For a complete listing of NOVA and OPC's State of California clients, please see Exhibit C.*

## SECTION IV - ADMINISTRATIVE & CONTRACTUAL REQUIREMENTS

A. Contractual Responsibility

DGS intends to select a contractor or several contractors to supply credit and charge card acceptance services as specified in this RFP. Contractors are contractually responsible for all services provided.

***NOVA Information Systems and OPC acknowledges and accepts the Contractual Responsibility requirement. Please see Exhibit "D" for a copy of the NOVA Information Systems, Inc. Government Processing Agreement.***

B. Subcontractor

The bidder is the responsible party without recourse to the State regarding settlement and satisfaction of all contractual and administrative issues arising out of subcontracts as a result of this RFP. This includes, but is not limited to, disputes, claims, protests of award, or other matters of a contractual nature.

***NOVA and OPC acknowledge and accept the Subcontractor requirement.***

C. Funds Availability

Any contract(s) awarded under this RFP will be valid and enforceable only if sufficient funds are made available to the State for the fiscal year(s) covered by any contract. In addition, any contract(s) is subject to any additional statutory restrictions, limitations, or conditions enacted by the Legislature or any statute enacted by the Congress which may affect the provisions, terms or funding of any resulting contract(s) in any manner.

***NOVA and OPC acknowledge and accept the Funds Availability requirement.***

D. Prompt Payment Act

With respect to late payment penalties, the California Prompt Payment Act (Government Code Section 927 et seq.) provides that payments on undisputed invoices must be made within 45 days of receipt, or is subject to an interest penalty fee. The penalty is typically calculated at a rate of one (1) percent above the rate accrued on June 30 of the prior year by the Pooled **Money Investment Account, not to exceed 15 percent; however, the law** provides that the penalty is waived if it amounts to seventy-five dollars ($75) or less. The provisions of the Prompt Payment Act may not be waived.

***NOVA and OPC acknowledge and accept the Prompt Payment Act requirement.***

E. Phase-In and Phase-Out Services

Prior to contract termination, successful bidder(s) must furnish phase-out services for up to 120 working days. Additionally, the successful bidder(s) must negotiate in good faith a plan with a successor to determine the nature and extent of phase-in, phase-out services required.

***NOVA and OPC acknowledge and accept the Phase-In Phase-Out Services requirement.***

F. Applicable Law

Any contracts resulting from this RFP shall be subject to and construed in accordance with the laws of the State of California.

***NOVA and OPC acknowledge and accept that Any contracts resulting from this RFP shall be subject to and construed in accordance with the laws of the State of California.***

G. Contractor Certification Clauses (CCC 201)

The State of California is engaged in an effort to standardize certain contracting formats and procedures. The enclosed "Contractor Certification Clauses" contain standardized language and conditions that will apply to any contract awarded under this RFP. (For CA's reference, these clauses are accessible on the Internet at www.dgs.ca.gov/contracts.) Also, a copy may be obtained by contacting the primary contact person.
As part of its proposal, each bidder must sign and return page one of CCC 201, acknowledging its understanding of and agreement to be bound by such terms and conditions if awarded a contract.

***NOVA and OPC accept and acknowledge the Contractor Certification Clauses (CCC 201). Please see Exhibit E for signed CCC 201 copy***

H. Payee Data Record (Std. 204)

Each bidder must fully complete, sign, and return the enclosed Payee Data Record (Std. 204) as part of its proposal. See Attachment 1.

***NOVA and OPC accept and acknowledges the Payee Data Record. Please see Exhibit F for signed Payee Data Record copy (RFP Attachment 1).***

- Contractors must support convenience fee policies at the individual agency level.

  ***NOVA currently and will continue to provide this capability. Our partner OPC through their various solutions, can also support convenience fee policies at the individual agency level. The company currently provides this capability to the State of California. For example, the FTB, BOE, and EDD currently support a 2.5% convenience fee per transaction model; however, the decision to use this model was made on an individual agency basis. Also, when supporting this model, OPC and the State must comply with credit card agency regulations.***

- Contractors must support convenience fee assessment by type of payment channel (i.e., telephone, over-the-counter) within each agency.

  ***NOVA can support convenience fee assessment by type of payment channel within each agency.***

- Contractors must support variations in the convenience fee at the agency level.

  ***NOVA can support variations in the convenience fee at the agency level.***

## SECTION V - CONVENIENCE FEES & CARD PAYMENT DEPOSITS

### A. Convenience Fees (MR)

Convenience fees are assessed to card users (consumers) to offset the cost of card acceptance. Assessment of the fee occurs at the time of the transaction. Individual State agencies, based on their individual requirements, will determine whether or not to pass on the convenience fee on card transactions to the cardholder.

Convenience fees are subject to the constraints of the card associations and card companies and, in some cases, by State regulations. In general, card payments, and specific card brands, may not be disadvantaged at the point-of-sale relative to other payments. All of the following convenience fee types are (MR).

- Convenience fees may be levied as a flat fee and not tied to the amount of the payment transaction.

  ***NOVA has the capability of assessing the convenience fee as a flat fee, not tied to the amount of the payment transaction.***

- Convenience fees may be levied as a percentage of the transaction amount.

  ***NOVA has the capability of assessing the convenience fee as a percentage of the transaction amount. A joint effort between NOVA and OPC can reinforce this capability as OPC currently provides a flat fee of 2.5% to California citizens paying their taxes through the company's current system. The California Franchise Tax Board, Board of Equalization and Employment Development Department all currently use the company's system based on the 2.5% convenience fee.***

- Convenience fees may be levied based on tiered schedule associated with the transaction amount.

  ***NOVA currently has the capability of assessing the convenience fee on a tiered schedule. Our partner OPC has also provided services based on a tiered schedule associated with the transaction amount for California agencies in the past.***

Convenience Fee Assessment (All MR)

| Functions/Capabilities | Currently Available | Planned Availability Date | Comments |
|---|---|---|---|
| V.1<br>Assess a flat convenience fee | Yes | | |
| V.2<br>Assess a percentage convenience fee | Yes | | |
| V.3<br>Assess a tiered convenience fee | Yes | | |
| V.4<br>Provide flexibility for each agency to assess or not assess a convenience fee | Yes | | |
| V.5<br>Provide flexibility for each agency to assess or not assess a convenience fee by payment channel | Yes | | |
| V.6<br>Support variations in convenience fees at the agency level | Yes | | |

**Card Payment Deposits (All MR)**

**The State of California has financial and accounting policies and requirements that contractors must comply with under the MSA. These requirements include:**

- All participating State agencies are required to open a Zero Balance Account (ZBA) at a selected Centralized Treasury System (CTS) bank to accept card payment transactions. The contractor shall transmit the total amount of the card payment transactions, less the amount of any convenience fees, for each agency to the appropriate ZBA each.

*NOVA will be able to continue with this practice. If the participating Agency elects to process via a solution provided by OPC, NOVA will then rely on the OPC capability. OPC currently and will continue to provide this to the State of CA.*

- The contractor may not debit or reduce any payment transactions in the ZBA.

*NOVA will not debit or reduce any payment transactions in the ZBA.*

- Discount fees will be paid monthly. Contractors must submit an itemized monthly invoice for discount fees and any other fees to the individual State agency.

*NOVA currently and will continue to provide this to the State of CA. Please see Exhibit "G" for sample of Invoice.*

- The contractor must transmit timely detailed analysis to each of the participating State agencies, providing sufficient information for each of the agencies to reconcile deposits transferred into its respective ZBA.

*NOVA currently provides this information and will continue to provide such information in the form of statements, online reporting tools, and through a specifically assigned* Account Executive to the account.

- The contractor must provide a directory of representative(s) and phone number(s) to resolve problems and respond to inquiries. Any problems or inquiries regarding the direct reconciliation of an agency's payment transactions, the transfer to the ZBA or any other payment transactions involving the contractor shall be resolved by the contractor within three business days from the date of the original inquiry. Other problems and inquiries will be addressed within one week from the date of the original contact.

NOVA will assign the following personnel to the State Of CA:

| | | |
|---|---|---|
| *Brenda Fulmer* | *NACS Director* | *(678) 731-5711* |
| *Randy Smith* | *NACS Manager* | *(678) 731-5655* |
| *Tracy Crowe* | *Conversion Specialist* | *(678) 731-5120* |
| *Michelle Harrison Carter* | *Sr Account Executive* | *(818) 734-2921* |

*In addition to these names and numbers, the following e-mail addresses are also available to the State:*

| *Department* | *E-Mail Address* |
|---|---|
| *Chargebacks* | *chgback@merchantconnect.com* |
| *General Customer Service* | *custsvc@merchantconnect.com* |
| *Retrievals Requests* | *retrieval@merchantconnect.com* |
| *Technical Support* | *techsupport@merchantconnect.com* |
| *Terminal Customer Service* | *termcustserv@merchantconnect.com* |
| *Terminal Support* | *termsupport@merchantconnect.com* |

***NOVA will resolve any problems or inquiries regarding the direct reconciliation of an agency's payment transactions, the transfer to the ZBA or any other payment transactions involving the contractor will be resolved by the contractor within three business days from the date of the original inquiry. Other problems and inquiries will be addressed within one week from the date of the original contact.***

- The contractor must identify revenue/payment data according to classification and source identification codes assigned by the State.

***NOVA currently and will continue to identify revenue/payment data according to classification and source identification codes assigned by the State.***

- All accounting information must be able to be electronically transmitted to all participating agencies.

***NOVA currently and will continue to electronically transmit all accounting information to all participating agencies. This can be in the form of a flat file sent via e-mail, file loaded to an FTP site for download, or automated reporting generated directly from our settlement system.***

***OPC's payment solutions are specifically engineered to facilitate single or multi-level merchant type transaction processing, settlement, and reporting. The company simply adds payment types to a single merchant type or add merchant types for each different***

*agency or departments. All transaction processing, settlement, reconciliation, and reporting is completed in the same fashion for all merchant levels. This type of multi and single level merchant processing is common among the company's 19 state clients and the Internal Revenue Service (IRS).*

*The company's solutions provide seamless integration with existing government systems for reporting and settlement. OPC will provide accounting information to all participating agencies in a flat file via e-mail.*

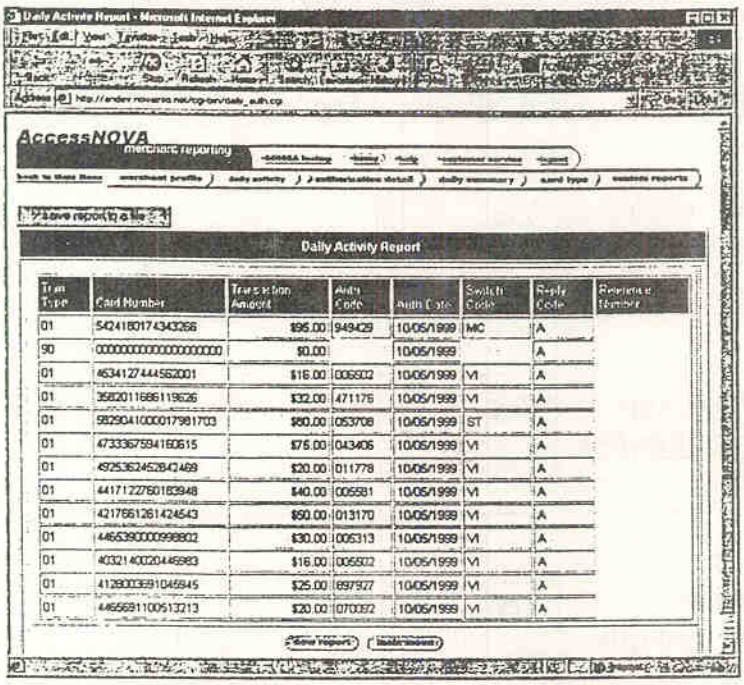
- The contractor must provide ad hoc reporting capabilities.

*NOVA has developed an on-line reporting system that allows the merchant to review line item detail for all of their transactions. The new service is called Merchant ToolBox.*
*The system provides the following features:*

- *Merchant Profiles*
- *Authorization and Settlement details for all transactions*
- *Summary of daily activity*
- *Card type summary reports*
- *Custom Reports and Ad hoc Reporting*
- *Capability to export report data into database or spreadsheet formats*

*With the custom reporting capabilities along with the ability to export the data into a spreadsheet format the merchant has the ability to conduct profitability analysis.*

*The following graphic represents a screen view of the Merchant ToolBox report outcome.*




| Trans Type | Card Number | Transaction Amount | Auth Code | Auth Date | Switch Code | Reply Code | Reference Number |
|---|---|---|---|---|---|---|---|
| 01 | 5424180174343266 | $95.00 | 949429 | 10/05/1999 | MC | A | |
| 90 | 0000000000000000000 | $0.00 | | 10/05/1999 | | A | |
| 01 | 4534127444562001 | $16.00 | 006502 | 10/05/1999 | VI | A | |
| 01 | 3582011686119626 | $32.00 | 471176 | 10/05/1999 | VI | A | |
| 01 | 5829041000017981703 | $80.00 | 053708 | 10/05/1999 | ST | A | |
| 01 | 4733367594160615 | $75.00 | 043406 | 10/05/1999 | VI | A | |
| 01 | 4925362452842469 | $20.00 | 011778 | 10/05/1999 | VI | A | |
| 01 | 4417122760183948 | $40.00 | 005581 | 10/05/1999 | VI | A | |
| 01 | 4217661261424543 | $60.00 | 013170 | 10/05/1999 | VI | A | |
| 01 | 4465390000998802 | $30.00 | 005313 | 10/05/1999 | VI | A | |
| 01 | 4032140020446983 | $16.00 | 006502 | 10/05/1999 | VI | A | |
| 01 | 4128003691046845 | $25.00 | 697927 | 10/05/1999 | VI | A | |
| 01 | 4465691100513213 | $20.00 | 070092 | 10/05/1999 | VI | A | |

*OPC's systems maintain a daily transaction log detailing each payment processed. Overnight, the company's master control system downloads files from both the State's account and the credit card clearing facility for the nightly batch balancing procedure. The company's systems automatically transmit a "mirror" balanced report to the State each day to ensure that the payments posted are in Automated Clearing House (ACH) processing. The daily report totals can be used by the State for deposit slip information, to compare with their banks' records.*

*OPC systems also produce a monthly transaction log that outlines the total number of payments processed and the total collected by the company's systems during the period covered by the report. The report is then balanced against bank deposit statements as a final audit check.*

*OPC will work with the State to provide all required reports.*

Card Payment Deposits (All MR)

| Functions/Capabilities | Currently Available | Planned Availability Date | Comments |
|---|---|---|---|
| V.7<br>Deposit card transactions, less convenience fee, into agency ZBA | Yes | | |
| V.8<br>Submit monthly invoices for discount fees and any other fees to individual agencies | Yes | | |
| V.9<br>Transmit timely detailed analysis necessary to reconcile ZBA and convenience fee deposits | Yes | | |
| V.10<br>Provide a directory of representatives for inquiry and problem resolution | Yes | | |
| V.11<br>Identify revenue classification and source | Yes | | |
| V.12<br>Electronically transmit all accounting information to the State and participating agencies | Yes | | |
| V.13<br>Provide ad hoc reporting | Yes | | |

## SECTION VI – LEVELS OF SERVICE

**Due to the diversity of requirements across the over 250 State agencies to be represented by the Master Services Agreement, the following levels of service should be described in the proposal. Support for each of these levels of service must be verified.**

**A given level of service that is proposed need not match perfectly with the description given to be acceptable for evaluation. For evaluative purposes, however, each proposed service must be categorized into the service level it most closely approximates and the bidder should provide explanatory comments as appropriate to offer a clear understanding of the service to be provided.**

**A.** Manual Processing (MR)

Includes the use of imprinters only, call-in voice authorizations over the telephone, and physical deposit of sales drafts at a bank branch. The cash register operation is separate from the card transaction.

***NOVA can support any form of manual processing from over the counter transactions conducted at a Bank Branch to call in authorizations. Any transactions conducted "over the counter" at a Bank Branch must be conducted at a NOVA Partner Bank. NOVA Partner Banks in the State of CA include City National Bank, Bank of the West, US Bank and Imperial Bank.***

**B.** Authorization Only (MR)

Includes authorization-only terminals, with physical deposit of sales drafts at a bank branch. The cash register operation is separate from the card transaction.

***NOVA currently supports this transaction type through the XL 300 terminal from Verifone. Any transactions conducted "over the counter" at a Bank Branch must be conducted at a NOVA Partner Bank. NOVA Partner Banks in the State of CA include City National Bank, Bank of the West, US Bank and Imperial Bank.***

**C.** EDC - Electronic Data Capture (MR)

Electronic data capture terminals are used for both transaction authorization and electronic credit draft capture. Electronically stored sales drafts are **transmitted to the** processor/acquirer. There is no in-person deposit of credit drafts at a bank branch. The cash register operation is separate from the card transaction.

***NOVA currently supports transactions from all terminal types currently in production. Typical terminal response times average 6-10 seconds. The following manufacturers are NOVA Partners and either have terminals in Class A or Class B certification on the NOVA Network.***

- *Verifone*
- *Hypercom*
- *Lipman*
- *Dessault*

D. Check Authorization Services

Please describe CA's check authorization services and the type of verification and/or guarantee options available.

***NOVA currently offers check verification and check guarantee services. The verification services are offered through Shared Check Authorized Network (SCAN) and Checktronics. The check verification concept is defined as one that compares the transit / routing number and account number on the check against a database of bad checks within a shared network of merchants. Currently SCAN is being used by such large retailers as Wal Mart, therefore the State can take advantage of the vast scope of the network. Typically this type of service is less expensive than a Check Guarantee service. Most Verification Services charge the merchant a flat per item fee for each check verified.***

***NOVA also offers a check guarantee service through various partnerships. A Check Guarantee is defined as an actual authorization by the Bank that the funds are available to clear the check. If a guaranteed check is not honored by the Bank, the Guaranty company refunds the merchant the amount for the check. This type of service is typically more costly to the merchant than a Check Verfication Service. Most Guarantee services charge the merchant a percentage rate of the guaranteed transaction.***

E. Electronic ECR/POS Interface

Automated electronic interface with cash registers (point-of-sale) system to support on-line, interactive verification of charges and receipt of approval codes. No in-person deposit of credit sales drafts.

***NOVA currently supports any ECR / POS interface certified to run on the NOVE Network. A complete listing of all certified solutions is available upon request.***

F. PC Interface

State agency personal computers interface by modem with bank computers to provide batched data transmission and storage of sales draft information. The transaction authorization and data capture functions are incorporated in the PC, which acts as the POS terminal.

***WARP is a NOVA software program designed to run on Microsoft 95/98/NT operating systems and allows the users to conduct "card not present" credit card transactions via a Web Browser. By using NOVA remote technology, the transactions are secure over the Internet. WARP has been tested with throughput of over 12 transactions per second from a single server. The systems can be in a standalone or multi-user mode. The program runs at the user location, which is a more efficient and flexible system than a traditional host based application. The Web Browser can be a PC, a Macintosh, or a UNIX workstation. Only the server needs to running on a Microsoft platform.***
***Real-Time processing can be accomplished with NOVA's gateway product called Remote TransPort. TransPort is a technological application used to process transactions to NOVA through Frame Relay or Internet communications using standard TCP/IP protocol. This solution can result in significant cost savings for the merchant by eliminating the need for dedicated circuits and hardware. Because the interface is very standard the application is very easy for the merchant to code to. Response times are extremely fast, and redundancy is automatic, since no single point to point communication line is utilized. NOVA developed this product to replace costly lease line applications.***
***Mass Transact is a mainframe- to- mainframe credit card processing application primarily used by companies receiving high volumes of credit card transactions via mail/telephone or processors of pre-authorized credit card payments. Mass Transact provides three processing options for all card types: batch authorization only, batch authorization and settlement, and batch settlement only. A free-form data field of 30 characters is provided for pertinent user information such as policyholder number, customer number, order number, etc. Mass Transact is a fast and efficient alternative***

*to processing large volumes of credit card transactions. Processing occurs during non-peak, overnight hours, thus reducing costs.*

*Integrated connectivity: NOVA is extremely flexible in our approach to custom interfaces and can work with multiple protocols and formats to support specific merchant requirements. NOVA's primary communications protocol currently supported for mainframe, frame relay or Internet connections is TCP/IP.*

**G. Plural Interface Processing**

Routes bankcard transactions to third party processors and charge card transactions directly to American Express or Discover. Identify if plural interface processing is supported. If it is not supported, identify the amount of the fee that will be charged to the agency for forwarding the transaction.

*NOVA currently supports Plural Interface Processing (PIP) and reverse Plural Interface Processing (Reverse PIP)*

H. Mail Order Telephone Order (MOTO) (MR)

Support of mail/phone order transactions recorded without physical access to the card (no magnetic stripes to be read).

*NOVA currently supports all MOTO transactions whether terminal or PC initiated. By requiring the use of the bankcard Address Verification System (AVS) and other data elements such as invoice number, customer code, Card Verification Value (CVV2), card name verification, NOVA provides you the information necessary to qualify for the best available interchange rate.*

I. Internet Processing (MR)

Support Internet credit card and off-line debit card processing in a fully secured environment.

*The sheer nature of the NOVA Network allows for the most reliable processing of Internet transactions in the industry. As will be discussed later in the Network Section, NOVA's TCP / IP backboned network was built with the Internet in mind. One powerful processing solution is NOVA's ViaWarp product.*

*NOVA's viaWarp – is a real-time credit card processing and reporting system that leverages the Internet and the power of the NOVA Network. viaWarp eliminates the need for additional telephone lines, thereby minimizing downtime and maximizing authorization speeds. It is designed to process multiple payment types including: credit cards, check verification and electronic gift certificates. Demo CD-ROM is available upon request. It supports up to 150 simultaneous users. Three-(3) different*

*user license levels (10, 50, 150). viaWarp Deluxe (150 users) has built in software interface, allowing transaction processing and transaction management function to be tightly integrated with existing POS or Order Entry Systems creating a gateway interface. It uses standard HTTP post messages. This product requires that the merchant requires have Internet connectivity. Requires a card-swiping device. Demo CR-ROM available upon request.*

*Some of the major benefits are:*

- *Processes all major credit card types directly from a PC*
- *Uses 128 Bit encryption*
- *Addresses small business needs with one order entry station*
- *Handles large business needs with multiple order entry stations*
- *Superior response time because viaWarp utilizes Internet connectivity*
- *Gateway version allows merchant to integrate into existing legacy systems*
- *Single button transition from raw data to spreadsheet that can easily be saved or exported for safe record keeping*
- *Processes real-time or batch transactions*

*Another possible solution is provided by OPC. OPC currently provides its secure Internet payment solution to various State of CA agencies.*

*The company utilizes a 128-bit Secure Socket Layer (SSL) encryption technology from the user's browser service to www.officialpayments.com, to prevent unauthorized access. At the OPC website, customer/user data and credit card information is stored in an encrypted manner in an internal file that is further protected by a secure firewall utilizing most advanced technology currently available. The company's server has internal monitoring and reporting features to prevent unauthorized intrusions.*

J. Debit Card Processing (On-line, PIN-based ATM card and signature-based debit) (MR

The transaction is charged to the cardholder deposit account and funds are guaranteed to the merchant provided the transaction is authorized.

***NOVA currently accepts all types of ATM and Debit cards at the point of sale. This does not include processing PIN Based Debit Cards initiated from an INTERNET point of sale.***

***As a result of the merger with US Bank, NOVA now has direct access to our very own debit gateway.***

K. Interactive Voice System (IVR) Interface (MR)

Some State agencies use established IVR systems. The contractor will develop and support an interface to the existing IVR system to support electronic card payments via the IVR.

***NOVA is currently supporting IVR solutions for the State of CA. NOVA will be able to continue this support or provide additional alternatives through a partnership with Official Payments. Official Payments currently provides IVR payment solutions to various CA state agencies. In the cases where the company does not, and the agency is using or chooses to use another IVR provider, OPC can develop and support an interface to the existing IVR system to support electronic card payments via the IVR.***

L. IVR Support and Fulfillment (MR)

Some State agencies will require IVR systems provided by the contractor to support card acceptance. The contractor provides and implements IVR systems and support.

***NOVA is currently supporting IVR solutions for the State of CA. NOVA will be able to continue this support or provide additional alternatives through a partnership with Official Payments. Official Payments currently provides IVR payment solutions to various CA state agencies. In the cases where the company does not, and the agency is using or chooses to use another IVR provider, OPC can develop and support an interface to the existing IVR system to support electronic card payments via the IVR.***

| Levels of Service | Currently Available | Planned Availability Date | Comments |
|---|---|---|---|
| VI.1 | | | |

| Levels of Service | Currently Available | Planned Availability Date | Comments |
|---|---|---|---|
| Manual (MR) | Yes | | |
| VI.2<br>Authorization only (MR) | Yes | | |
| VI.3<br>EDC (MR) | Yes | | |
| VI.4<br>Check Authorization Services | Yes | | |
| VI.5<br>Electronic ECR/POS Interface | Yes | | |
| VI.6<br>PC Interface | Yes | | |
| VI.7<br>Plural Interface Processing | Yes | | |
| VI.8<br>Mail Order Telephone Order (MOTO) (MR) | Yes | | |
| VI.9<br>Internet Processing (MR) | Yes | | |
| VI.10<br>Debit Card Processing (MR) | Yes | | |

| Levels of Service | Currently Available | Planned Availability Date | Comments |
|---|---|---|---|
| VI.11<br>Interactive Voice Response (IVR) Interface (MR) | Yes | | |
| VI.12<br>IVR Support & Fulfillment (MR) | Yes | | |

## SECTION VII CREDIT & CHARGE CARD PAYMENT SUPPORT REQUIREMENTS

**This chapter contains the State's functional and technical requirements for credit and charge card payment support. The information you provide will enable DGS to understand and evaluate CA's capabilities for meeting the State's requirements. Note that mandatory requirements are designated with an (MR).**

**Please present all aspects and details of the proposed fulfillment of the functional, technical, performance and support requirements as delineated in this RFP. For ease of evaluation, please refer to the requirements and numbered paragraphs as presented in this document. Proposals should reference each identified requirement (including paragraph number), explaining if the proposed system/service currently supports the specified requirement. For those specific requirements that are not currently available, please indicate whether or not the function will be available at some later date, indicate when the function will be available.**

A. Card Brand Support (MR)

Credit and charge card transaction authorization, routing and settlement is required for all major card brands and for debit cards:

- American Express
- Discover
- MasterCard (credit and debit)
- Visa (credit and debit)
- Debit Card (On-line, pinned ATM)

*NOVA can provide all required services for all card types listed above.*

B. Retrievals and Chargebacks

Describe CA's retrieval and chargeback handling support.

*NOVA stores every transaction electronically for ready access in the event a retrieval request or chargeback notification is received. Detailed information about the transaction is captured, including authorization reference number, indication as to whether the magnetic stripe on the card was captured as well as dollar amount, card number, authorization and settlement dates. Having this information available electronically allows for unique reporting capabilities. For example, a data file of all retrieval requests and chargeback notifications along with reference information and reason codes is available via NOVA's ACS reporting service. The merchant can in turn use this data to initiate the follow-up matching against accounts receivable database records. Soon NOVA will have the capability of supporting merchant imaged drafts.*

*This will allow the State the ability to image a sales draft for electronic storage vs. keeping boxes of paper drafts for 3-5 years.*

*Retrieval requests are submitted to a merchant in a variety of methods. If a merchant is set up on AutoFax, retrieval notices are received on the same day that NOVA receives them. If the merchant is utilizing NOVA's Automated Customer Service Reporting (ACS), they will be notified the next day.*

*Follow-up notification to the merchant is geared to protect the merchant against unnecessary loss due to non-fulfillment of retrieval requests. On all high dollar retrieval requests (amounts in excess of $800), the merchant may receive a phone call from NOVA within the first week of the retrieval timeframe to ensure the request was received and to answer any questions. AutoFax will send a second reminder of all requests on day 15, if NOVA has not received a response from the merchant. Approximately 20% of all merchant chargebacks are handled without merchant involvement.*

*If OPC is handling the transaction , the following procedure is the norm*
*The issuing bank requires the cardholder to contact them in writing to dispute a credit card transaction. In the event the issuing bank receives a written dispute, the following takes place:*

1. *The cardholder's issuing bank sends a "retrieval request" for the disputed transaction to the merchant bank.*
2. *The merchant bank forwards the retrieval request to OPC. OPC's chargeback group responds to the retrieval request by providing to the issuing bank all pertinent documentation to substantiate or prove the validity of the charge. In some cases, the chargeback group may also seek the assistance from the State to provide additional information to help support the validity of the charge. In the event a chargeback is necessary, OPC will invoice the State for the total amount due.*

- Indicate whether you support document imaging other than facsimile for transmission and response to retrieval requests.

  *NOVA currently supports this capability on the signature capture side of the transaction, for Chargeback presentment purposes, NOVA and OPC will work with the State to provide document imaging other than facsimile.*

- State CA's reversal rate (without merchant involvement) in total and by chargeback type over the last twelve months.

  *Approximately 20% of all merchant chargebacks are handled without merchant involvement.*

- State the average elapsed time from receipt of a retrieval request to merchant receipt.

  ***The average elapsed time from receipt of a retrieval to merchant receipt is 24-48 hours. The best possible solution for the State is to be set up on an autofax program in which the retrieval is automatically faxed by NOVA the moment the retrieval request is received by the Association.***

- Describe any special facilities available to effectively support retrieval and chargeback handling that would be advantageous to the State.

  ***As stated earlier, NOVA has assigned an Account Executive in the Pacific Time Zone to service the State account. This account Executive will assist the State in all chargeback matters. In addition to this personalized service, NOVA will set up the Autofax feature for the State in order to offer the shortest available turnaround time for notification. Lastly, NOVA's Automated Customer Service (ACS) tool will be loaded at a central facility in order to allow the State to pull ad hoc reporting to monitor chargeback status at any time needed.***

  ***OPC's Financial Client Service Group is responsible for delivering an unequaled quality of service to OPC clients by providing them with a point of contact to report problems and/or to make inquiries regarding company products and services. This group resolves problems related to clients' daily settlements and deposit variances and coordinates and resolves complex reporting issues. The team answers incoming telephone calls, e-mail, fax, or Internet inquiries from clients and logs all problems/resolutions so that recurring problems can be tracked, reported and corrected. Led by the Director, Financial Client Service, this team of nine (9) employees including a Manager, Senior Coordinators, Coordinators, Technical Support and Representatives, is accountable for the following additional duties and tasks:***

  1. ***Maintain and develop account relationships with existing OPC major clients by developing a rapport/trust with accounts by responding to client inquiries in a timely manner and with accurate information.***
  2. ***Effectively handle client inquiries via incoming calls/letters. Research and correct all incidents to the client's satisfaction.***
  3. ***Research client concerns with a sense of urgency by providing immediate follow-up status/resolution.***
  4. ***Provide client database and contract maintenance.***
  5. ***Establish partnerships with internal departments of facilitate client problem resolution and ensure staff support.***

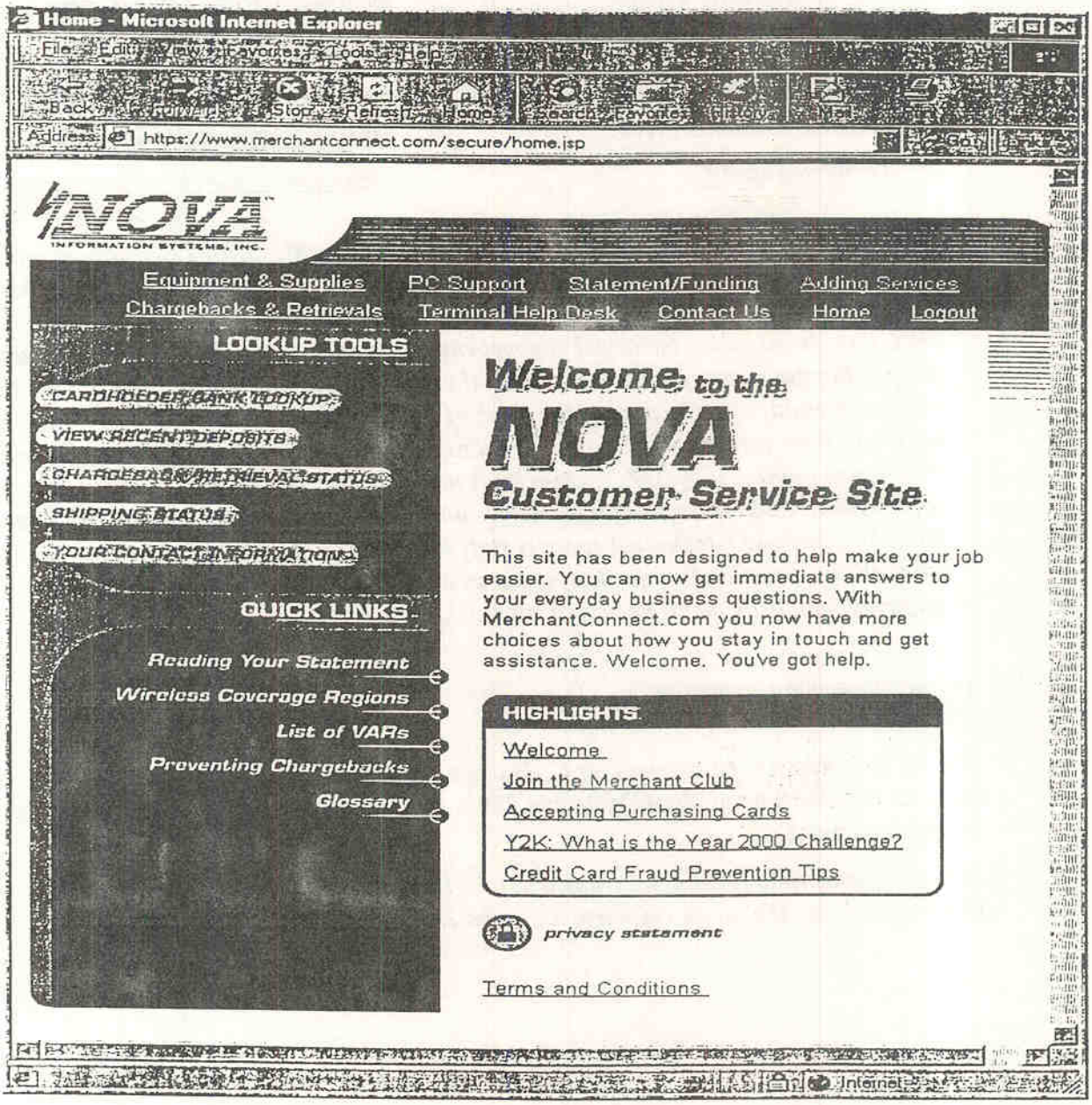
C. Merchant Help Desk

Please describe any Merchant Help Desk services and facilities, including hours of operation, support approaches and service level options. Provide any pertinent performance statistics such as average call response time, number of calls per operator, number of operators, etc.

***The Account Executive responsible for acquiring the merchant business manages the account relationship. The NOVA relationship manager will also coordinate with the State project managers to ensure that the client's service quality expectations are continually met***

***NOVA's Call Center customer service staff is available 24 hours/day, 365 days/year to respond to merchant inquiries and point-of-sale assistance.***

*NOVA also offers MERCHANTCONNECT.COM., a free on-line customer service web site that allows you to monitor current deposits, e-mail service issues, order supplies, see current retrievals and chargebacks. This service is constantly being enhanced with features that our merchants desire. Please review the following:*



*In addition to www.merchantconnect.com additional e-mail SERVICES are available at the following e-mail addresses:*

| Department | E-Mail Address |
|---|---|
| *Chargebacks* | *chgback@merchantconnect.com* |
| *General Customer Service* | *custsvc@merchantconnect.com* |
| *Retrievals Requests* | *retrieval@merchantconnect.com* |
| *Technical Support* | *techsupport@merchantconnect.com* |
| *Terminal Customer Service* | *termcustserv@merchantconnect.com* |
| *Terminal Support* | *termsupport@merchantconnect.com* |

***OPC's Client Account Managers have been working with various CA state agencies since 1996 and have established strong relationships. OPC plans to continue this personalized level of service.***
***OPC has an extensive technical support staff, and their experience in building and supporting payment systems means that the systems are turnkey and require no day-to-day maintenance on the part of the State of California. All of the company's technical team are fully versed in electronic payment systems and are fully capable of resolving any issues immediately. OPC prides itself on providing single-call support for systems and software, 24 hours a day, seven days a week. In addition, the company will ensure that the company's technical support staff is available to the State of California to answer any questions, upgrade systems as needed, monitor system security and capacity, and provide all necessary support, without delay.***

D. Authorization and Processing

Provide the statistical parameters for CA's response time for both dial-up and leased lines based on data for the month of December 2000. Express this as a mean in seconds, stated to one decimal place.

***Mean response time for dial up transaction in December 2000 approximately 6.2 seconds. For a leased line the mean response time was 2.1 second.***

E. Authorization and Processing During Downtime

Explain CA's procedures for authorization and processing during downtime and system outages. Indicate any scheduled downtime, periods in terms of duration and frequency.

***NOVA operates a fully redundant network ustilizing our Atlanta and Knoxville transaction facilities. The network is completely open in architecture and is extremely scalable. It is for this reason that the network has not suffered any unexpected outages since it's 1991 inception. Any scheduled downtime occur at 3am (EST) midnight (PST) on Sundays. All scheduled downtimes are communicated to the National Accounts Corporate Services group which in turn will notify the State.***

***Any downtime as a result of the OPC network is handled the following way:***

***The company's technology is state-of-the-art, including Fault Tolerant Industrial hardware, 24 hour/7 day on-site service, and 32 bit architecture (both hardware and software). OPC systems are up 99.9% of the time. In the unlikely event that the systems should go down, numerous back-up systems are always online and ready to go.***

***OPC's main facility is at its operational location in San Ramon, CA. In the event that this primary site goes out of service for any reason, traffic is automatically routed to the company's backup facility without downtime. This facility sits outside earthquake and flood zones and serves as the company's IVR backup location and contains enough bandwidth to support the busiest day - April 15.***

***The company's primary Internet site is at a hosting facility. In the event of a failure at that site, traffic is automatically routed through a Local Director to the company's back-up facility in San Ramon. This site too has enough bandwidth to handle up to 10 times the current traffic seen on the company's primary site.***

***Back up power: The San Ramon facility is the primary site for the Interactive Voice Response (IVR) application. If total power is out, the northern CA backup facility becomes the IVR application location. The Digex facility, in San Jose, is the primary site for the Web application. If Digex goes down, the San Ramon facility takes over the Web application. If there is any disruption of power, the Uninterruptible Power Supply (UPS) automatically responds. This external back up provides 36 KVA of power. {Scott a full generator support of 40KVA(40 kilowatts in load response)}***

***Applications failure: Backups are programmed to occur nightly on certain servers, and throughout the day on databases. Full backups take place once per week. Once a week, cartridges containing the most recent full data backup are duplicated and logged. They are stored off-site in a secure vaulting facility.***

***Hardware failure: The application has six types of servers:***

- *IVR servers: OPC maintains an IVR server farm, with a normal server load of one to 3P of maximum capacity.*
- *Transaction database servers: OPC maintains two hot-swappable servers. If one fails, it automatically transfers load to the other. Should both servers go down, the IVR servers become backup transaction servers.*
- *Client database servers: OPC maintains three distinct servers, each one configured to be a back-up for the others.*
- *Credit card processing servers: OPC maintains multiple servers. Transfers are not automatic; the Infrastructure Group handles the transfer manually.*
- *EDI servers: OPC maintains multiple backup servers. Should one fail, the process suspends, shifts to a backup server, and restarts the batch filing process.*
- *Web cluster servers: OPC maintains multiple servers. Each is hot swappable. Failure of any server redirects the load to other servers.*

F. Interactive Voice Response (IVR)(MR)

**Describe the features and functions of CA's IVR service. If this service is outsourced or provided through a third party, please provide the name of CA's contractor and the size of their portfolio.**

**Please describe any interface or implementation requirements or compatibility issues associated with implementing CA's IVR system for use at individual State agencies.**

*NOVA as the processor can support any IVR System certified to pass transactions to the NOVA Network. To provide a superior network and IVR solution, NOVA has partnered with OPC.*

*OPC has been providing its IVR payment solution to the citizens of California since 1999. In 1999, the FTB and BOE combined saw almost 15,000 transactions with more than $15 million processed. In 2000, these numbers increased significantly with more than 47,000 transactions and more than $75 million processed. CA citizens have taken full advantage of this payment option as shown in the growth of number of transactions and dollars processed, which are more than 200% and 400% respectively.*

*CA citizens have taken full advantage of this payment option as shown in the growth of number of transactions and dollars processed.*

*As OPC systems are currently in use for some CA state agencies including BOE, FTB, and EDD, no implementation will be necessary. And, adding additional agencies will take minimal implementation and time.*

*Features of the company's IVR Payment Center include:*

1. *Easy access: All citizens with access to a telephone can pay taxes or fees by calling a toll-free number*
2. *User-friendly IVR interface that allows for easy, accurate data and credit card entry*

3. *Real-time authorizations: Instant credit card authorizations*
4. *Confirmation numbers issued to users for record-keeping*
5. *Customer service: Easy access to answers to support*
6. *Seamless integration with existing government systems for reporting and settlement*
7. *Redundant systems: Multiple Enterprise server farms to ensure uptime, data reliability, and backup*

*The company's IVR payment solution, 1-800-2PAY-TAX, processes credit card and PIN-less debit card payments by phone. This payment solution is easily established to accept payments for taxes and other amounts owed to State agencies and departments.*

*While the customer/user is on-line, the system links to the credit card processor to validate. When the payment transaction is successfully completed, the OPC system issues the customer/user a receipt number, which is either generated by the company's system or taken from the host as part of the receipting process. The customer/user is notified if the credit card payment procedure cannot be completed for any reason. If the credit card authorization is denied, the system advises the customer/user that the payment was not completed and they need to contact the credit card issuing bank, or use an alternate card.*

*If a convenience fee is charged, the customer/user is advised of the convenience fee by the payment system. In addition, when the system captures the payment amount and account number, it advises the customer/user of the convenience fee again. The customer/user must confirm the convenience fee in order to proceed with the payment and receive a confirmation number. The customer/user can exit out of the payment session at any time without cost or penalty. Typically, an IVR payment session lasts approximately four (4) minutes.*

*Sample IVR payment process:*

1. *Select a Service: User chooses to make a State agency payment.*
2. *Data Entry: User enters Identification and Payment Information.*
3. *Data Submission: Verification of previously entered user data. If correct, user submits the information for processing.*
4. *Data Processing: User holds momentarily while transaction is processed.*
5. *Confirmation Number: Confirmation number is issued, and user is enabled to complete other payments or end the session. If a transaction is rejected, the customer will have the opportunity to start over by giving a new card number or by returning to the beginning of the transaction.*

G. Settlement and Clearing (MR)

Describe CA's settlement and clearing policies and procedures. Indicate whether these functions are performed internally or outsourced. If outsourced, please provide the name of CA's contractor and the size of their portfolio.

***Using the NOVA Network, our systems accurately deliver funds in the shortest time frame available. The company's cash management process allows us to carefully monitor the payment transaction, post the funds and deposit them at CA's bank of choice within 48 hours (24 hours if depositing into First Union or US Bank ) for VISA/MasterCard and 72 hours for American Express and Discover Card. OPC does not hold funds; the company's settlement times are the shortest possible using standard ACH practices.***

- Outline CA's operating schedule for transmission acceptance by days of week and holiday exceptions to standard days.

## *SETTLEMENT AND FUNDING SCHEDULE*

***The following schedule is based on depositing into any Bank account excluding First Union and US Bank***

*Visa/MasterCard Settlement file sent @ midnight* *Funding to Agency ZBA*

| | |
|---|---|
| *Monday* | *Wednesday* |
| *Tuesday* | *Thursday* |
| *Wednesday* | *Friday* |
| *Thursday* | *Monday* |
| *Friday/Saturday/Sunday* | *Tuesday* |

| *American Express and Discover Settlement file sent @ midnight* | *Funding to Agency ZBA* |
|---|---|
| *Monday* | *Thursday* |
| *Tuesday* | *Friday* |
| *Wednesday* | *Saturday** |
| *Thursday* | *Sunday** |
| *Friday* | *Tuesday* |
| *Saturday/Sunday* | *Wednesday* |

***The following schedule is based on depositing into any First Union or US Bank account Visa/MasterCard***

| *Settlement file sent @ midnight* | *Funding to Agency ZBA* |
|---|---|
| *Monday* | *Tuesday* |
| *Tuesday* | *Wednesday* |
| *Wednesday* | *Thursday* |
| *Thursday* | *Friday* |
| *Friday* | *Saturday (if accepting deposits)* |

*Saturday/Sunday* *Monday*

***If depository bank is not open to receive funds, funding will occur on next business day.***

- Indicate CA's cutoff time (PST) for same-day transmission to the card associations on weekdays and Saturdays.

***Cut-off time for transactions is midnight PST***

H. Convenience Fee Collection (MR)

Explain procedures used for collecting, depositing, and accounting for all convenience fees (see Section V, Convenience Fees).

***NOVA currently transmits the total amount of the card payment deposit less the amount of any convenience fees, for each agency to the appropriate ZBA each. The convenience fee is left in the NOVA settlement account. This amount is monitored daily. The total amount in the account at the end of the month is then used to offset any discount fees owed by the State. NOVA then invoices the State for the difference between collected fees and fees incurred. If NOVA chooses to use an OPC solution, then OPC absorbs all costs related to development, implementation, maintenance, telecommunications and all transaction processing fees and costs. Additionally, OPC absorbs all credit card acceptance fees. In return, OPC will assess a convenience fee (in accordance with all Federal, State and Local laws) to those customers/users who pay amounts owed to the State of California through either payment solution.***

***The customer/user must confirm the convenience fee in order to proceed with the payment and receive a confirmation number. The customer/user can exit out of the payment session at any time without cost or penalty.***

***OPC processes the convenience fee as a separate transaction in the name of OPC and settles these transactions to the company's own designated settlement institution. This transaction is clearly described on the customer/user's card statement.***
***OPC processes the payment amount owed to the State of California as a separate transaction in the name of the State. Settlement of these funds will be deposited to the designated State of California bank account.***

I. Funding Procedures (MR)

- Frequency

***The following schedule is based on depositing into any Bank account excluding First Union and US Bank***

*Visa/MasterCard*

| *Settlement file sent @ midnight* | *Funding to Agency ZBA* |
|---|---|
| *Monday* | *Wednesday* |
| *Tuesday* | *Thursday* |
| *Wednesday* | *Friday* |
| *Thursday* | *Monday* |
| *Friday/Saturday/Sunday* | *Tuesday* |

*American Express and Discover*

| *Settlement file sent @ midnight* | *Funding to Agency ZBA* |
|---|---|
| *Monday* | *Thursday* |
| *Tuesday* | *Friday* |
| *Wednesday* | *Saturday** |
| *Thursday* | *Sunday** |
| *Friday* | *Tuesday* |
| *Saturday/Sunday* | *Wednesday* |

***If depository bank is not open to receive funds, funding will occur on next business day.***

***The following schedule is based on depositing into any First Union or US Bank account***
***Visa/MasterCard***

| *Settlement file sent @ midnight* | *Funding to Agency ZBA* |
|---|---|
| *Monday* | *Tuesday* |
| *Tuesday* | *Wednesday* |
| *Wednesday* | *Thursday* |
| *Thursday* | *Friday* |
| *Friday* | *Saturday (if accepting deposits)* |
| *Saturday/Sunday* | *Monday* |

- Computation of amount to be transferred

  ***Total amount of sale minus convenience fee.***

- Method of transmission of funds
  - 

*ACH / Fed Wire*

- Reporting format

*OPC provides its daily transaction report and flat file format via e-mail in ASCII format. Plus any other ad hoc reports requested from Account Executive.*

- Supporting documentation

*NOVA has also developed an on-line reporting system that allows the merchant to review line item detail for all of their transactions. The new service is called Merchant ToolBox.*

*The system provides the following features:*

- *Merchant Profiles*
- *Authorization and Settlement details for all transactions*
- *Summary of daily activity*
- *Card type summary reports*
- *Custom Reports and Ad hoc Reporting*
- *Capability to export report data into database or spreadsheet formats*

*OPC also has custom reporting capabilities along with the ability to export the data into a spreadsheet format the merchant has the ability to conduct profitability analysis.*

*The company's systems maintain a daily transaction log detailing each payment processed. Overnight, the company's master control system downloads files from both the State agencies' accounts and the credit card clearing facility for the nightly batch balancing procedure. The company's systems automatically transmit a "mirror" balanced report to the State each day to ensure that the payments posted are in Automated Clearing House (ACH) processing. The daily report totals can be used by the State and its agencies for deposit slip information, to compare with their banks' records.*

*OPC systems also produce a monthly transaction log that outlines the total number of payments processed and the total collected by the company's systems during the period covered by the report. The report is then balanced against bank deposit statements as a final audit check*

- Describe CA's procedures and timelines for depositing funds into the individual agency ZBAs (see Section V, Card Payment Deposits).

*The following schedule is based on depositing into any Bank account excluding First Union and US Bank*

*Visa/MasterCard*

| *Settlement file sent @ midnight* | *Funding to Agency ZBA* |
|---|---|
| *Monday* | *Wednesday* |
| *Tuesday* | *Thursday* |
| *Wednesday* | *Friday* |
| *Thursday* | *Monday* |
| *Friday/Saturday/Sunday* | *Tuesday* |

*American Express and Discover*

| *Settlement file sent @ midnight* | *Funding to Agency ZBA* |
|---|---|
| *Monday* | *Thursday* |
| *Tuesday* | *Friday* |
| *Wednesday* | *Saturday** |
| *Thursday* | *Sunday** |
| *Friday* | *Tuesday* |
| *Saturday/Sunday* | *Wednesday* |

***If depository bank is not open to receive funds, funding will occur on next business day.***

***The following schedule is based on depositing into any First Union or US Bank account***

*Visa/MasterCard*

| *Settlement file sent @ midnight* | *Funding to Agency ZBA* |
|---|---|
| *Monday* | *Tuesday* |
| *Tuesday* | *Wednesday* |
| *Wednesday* | *Thursday* |
| *Thursday* | *Friday* |
| *Friday* | *Saturday (if accepting deposits)* |
| *Saturday/Sunday* | *Monday* |

J. Agency Fee Collection (MR)

**Indicate CA's willingness to comply with the State's requirement for monthly invoicing for all fees (including discount fees), and CA's procedures for ensuring compliance (See Section V, Card Payment Deposits). Describe supporting documentation provided with monthly invoices.**

***OPC uses a convenience fee model, therefore invoicing of discount fee is not applicable.***

K. Reports

**Provide a brief but comprehensive review of CA's reporting procedures and capabilities, with descriptions of the reports, descriptions of report line items and single page examples of each report. The review should include:**

- Standard reports
- Special reporting capabilities
- Level of detail available
- Information about retrieval capabilities
- Types of report media used and available (i.e., hard copy, document image, electronic file transmission)
- Access mode (i.e., on-line, real time or PC remote batch)
- Security and access control for both electronic access and hard copy

*The ACS is designed for use by merchants who have multiple locations and/or MIDs, have a central office administration, have multiple users, or need access to transaction reports in a variety of formats to assist in the reconciliation of records. This reconciliation and reporting tool enables merchants to access daily transaction activity at a single location or multiple locations from one central point. The ACS system provides transaction data, retrieval requests, chargeback data (same day notification of chargebacks and retrieval requests) and monthly statements in electronic data from. In addition to exportable data, standard reports are available via the ACS system:*

- *Daily Detail Report*
- *Daily Exceptions Report*
- *Daily Summary Report*
- *Chargeback Reports*
- *Retrieval Requests*
- *Merchant Statements*
- *Card Type Report*
- *Review Activity Report*
- *Custom Reporting*
- *Location Analysis*

*Daily reporting is available via the ACS system and reports are available on a next day basis and can be downloaded to a personal computer.*

*Monthly statements will provide the daily batch deposit data for use in reconciling merchant deposit activity against bank deposit statements.*

*Merchants have the option to store data for an indefinite period of time via the ACS system and ad hoc reporting is available on a request basis for an additional fee.*

*Detailed transaction information is stored for a period of 90 days, summary data is maintained for two years. Beyond this timeframe, the data is archived through history files.*

*The ACS system provides multiple merchant reporting on a daily basis with detailed transaction data by merchant. Individual merchant locations can be tagged according to whatever group is designated. Ad hoc or customized reporting can be designed to accomplish summary daily or monthly reporting with groupings as dictated by the merchant. Once data is downloaded to the merchant's ACS system, the system automatically updates the transaction database and feeds the statistics database without manual intervention.*

*To acquaint you with the many ways ACS can be used we've provided an overview of each ACS Menu option:*

*Advance Chargeback and Retrieval Notices (ACR) — Receive advance online notice of Chargebacks and Retrievals coming in the mail, and keep a working database of retrieval*

*statuses. Additionally, NOVA allows mail order/telephone order merchants to respond back to Retrieval requests online via ACS.*

*System Reports — This menu option provides a wide range of standard reports, including Daily Transaction Details or Summaries, Missing Settlement Reports and custom-defined Exception*
*Reports. Also included is the ability to create an output file that you can import into your spreadsheet program.*

*Statistics Database — Using a graphical interface, this option provides the ability to produce statistical volume analysis reports as well as compare transaction totals or dollar volumes on a monthly or yearly basis, for all locations or singularly. Your merchants can also break out Bankcard (Visa® and MasterCard®) vs. Travel & Entertainment Cards (American Express® and Diners Club®) or a total of all credit card activity.*

*Utilities — Design your custom report settings, easily back up and retrieve archived information, monitor LAN users and import files from this option.*

*Merchant Control — This option gives you access to:*

*MCR — Creating, updating or reviewing merchant records.*
*Tables — Agents, SIC Codes, Terminal Types; view either online or printed reports.*
*Reports — Merchant/terminal reports; Summary Reports by Agent or Financial Institution; Audit Reports.*

*File Transfer — Downloading file information to your systems from the NOVA host is performed by initiating a daily file transfer procedure, if you have the most up-to-date information on your desktop.*

*System Setup — Use this option to customize your system's settings — communication baud rates, user IDs, LAN or stand-alone PC, user privileges.*

- *Chargeback and retrieval notification and status information*
- *System reports*
- *Daily activity and summary*
- *Exceptions*
- *Merchant analysis*
- *Non-settled items*
- *Customized reports*
- *New Software updates*
- *Generation of Zontalk file records (as appropriate)*

- *System administration for LAN users*
- *Statistics database*
- *Complete database of merchant specific date*
- *Built-in back-up and file retrieval systems*

L. Customer Service

**Summarize CA's customer service practices and procedures including:**

Summary of Customer Service Practices & Procedures

- Customer services staffing levels by shift

  ***NOVA currently staff over 300 customer service reps in each shift. The center operates 24 / 7 for all general customer service questions.***

- Anticipated assignment of customer service representatives to individual State agencies

  ***NOVA has assigned an Account Executive in Los Angeles and a back up Account Executive in Atlanta, GA to service the State.***

- Hours of operation

  ***NOVA operates a 24/7/365 customer service facility in Knoxville, TN. In addition to this facility, NOVA operates a large account service facility in Atlanta, GA. The hours of operation are M-F from 8 am – 5:30pm EST. NOVA also operates a facility in Chatsworth, CA that operates from M-F from 8 am – 5:30pm PST.***

- Response time standards by function

  ***Same day response from assigned Account Executives.***

- Location(s) by function

  ***NOVA operates a 24/7/365 customer service facility in Knoxville, TN. In addition to this facility, NOVA operates a large account service facility in Atlanta, GA. The hours of operation are M-F from 8 am – 5:30pm EST. NOVA also operates a facility in Chatsworth, CA that operates from M-F from 8 am – 5:30pm PST.***

- Customer contact schedule

*NOVA operates a 24/7/365 customer service facility in Knoxville, TN. In addition to this facility, NOVA operates a large account service facility in Atlanta, GA. The hours of operation are M-F from 8 am – 5:30pm EST. NOVA also operates a facility in Chatsworth, CA that operates from M-F from 8 am – 5:30pm PST.*

- Redundancy and backup staff by function

  *Account Executives in Chatsworth and Atlanta plus 24/7/365 customer service center in Knoxville, TN.*

- Problem resolution
  *Same day for general questions, next day for reconciliation and funding questions.*

- Average time to answer calls

  *Average speed of answer in Knoville facility is 22 sec*

M. Training and Implementation Support

The training and support component is of particular importance to the State as some of the agencies have no experience with card acceptance. Please describe the nature and scope of CA's training and support capabilities, including any materials or assistance to "market" card acceptance to the State agencies. The State is interested in understanding the level of support that can be expected from introducing the idea of card acceptance to State agencies through implementation and daily operation and support.

Identify the specific individuals who would support the implementation effort and include their areas of expertise and years of experience.

*Tracy Crowe- will drive the account conversion. Tracy has been in the Bankcard industry over 10 years. She will create a team and coordinate all training and conversion efforts within NOVA.*

N. Implementation Schedule

Provide a timeline that describes how you will establish card acceptance by January 1, 2002, including any key dates that require action by DGS or the State agencies. Include the major tasks associated with implementation and the individuals who will be responsible for these tasks.

***Implementation of additional State Agencies currently not supoorted by NOVA will follow the basic implementation schedule outlined below. A more detailed plan will be provided once the initial assessment meeting with the Conversion Coordinator is complete.***

***Schedule***

| | |
|---|---|
| ▪ *Assessment of processing needs at each agency and department* | *21 days* |
| ▪ *Establish conversion priorities* | *3 days* |
| ▪ *Categorize product and other needs by agency or department* | *5 days* |
| ▪ *Draft Conversion Schedule and obtain merchant approval* | *4 days* |
| ▪ *Distribute merchant communications* | *1 day* |
| ▪ *Deploy new equipment if needed* | *5 days* |
| ▪ *Conduct training seminars, group and train the trainer* | *5 days* |
| ▪ *Train newly deployed locations* | *5 days* |
| ▪ *Reprogram terminal sites and train* | *14 days* |
| ▪ *ECR certification, and conversion testing* | *25 days* |

***OPC is currently providing its IVR and Internet systems for the California FTB, BOE, and EDD. As such, there would be no implementation time required for these agencies, unless the State chooses to use a new bank/processor. Even so, implementation time would be minimal.***

***For other agencies and departments, OPC will work closely with the selected bank/processor's timeline to establish card acceptance by January 1, 2002. If OPC is replacing existing IVR or Internet systems, a lead-time of 60 days may be required to bring these systems live.***

***Please see Exhibit "H" for detailed OPC implementation schedule.***

O. Implementation Support

Please discuss what actions may be required by DGS or the State agencies in preparing for conversion to CA's system from a POS terminal, telecommunications, technical interface or any other standpoint.

P. Fraud and Loss Prevention Support

Describe CA's support services for fraud and loss prevention.

*NOVA currently uses a fraud protection system in Knoville, TN called WITNESS. This systems monitors cardholder and merchant activity. This system can identify historical information relating to cardholder purchases as well as merchant activity. This system utilizes a scoring systems based on type of transaction, size of ticket, historical size of ticket, and other past activity.*

Q. American Express and Discover Card Processing (MR)

Describe services available for processing American Express and Discover Card transactions. Please include any requirements or arrangements by DGS or the State agencies that need to be included in American Express or Discover Card transaction processing with CA's service.

*State agencies are required to establish services directly with American Express and Discover Card. Once established the State need only provide the SE #'s for each account established.*

R. System Processing and Response Times

**Please indicate levels of system processing, facilities and response times as appropriate for the following:**

- Average authorization response time – expressed in seconds

*OPC's average response time is typically two seconds on the company's IVR system and five seconds for the company's Internet system.*

- System reliability – expressed as a percentage of clock time

*NOVA and OPC both enjoy excellent system reliability. At a minimum our systems are up 99.9% of the time or 59.9 minutes per hour.*

- Scheduled downtime – frequency and duration

*NOVA averages one scheduled down time every three months. Any scheduled outage will communicated to the State through the assigned Account Executive.*

- System redundancy

*NOVA uses a fully fault tolerant Stratus computer for its authorization and capture system. It provides 24 hours, seven days per week service and does not have scheduled periods of downtime. All the vital components are duplexed so that if one fails, the system will continue to operate. NOVA maintains two separate processing sites a primary and a back up, located 12 miles apart. If the primary site should go down, processing will switch to the back-up site. NOVA has two completely different transaction networks. The primary network is MCI WorldCom based and the back up is AT&T based. All dial-up devices accessing the NOVA Network are programmed to dial the primary network on the first attempt and automatically retry the transaction on the back-up network if the first attempt fails. All leased line interfaces are backed up by a duplicate line through a different carrier or a dial back-up line through a different carrier.*

S. Credit/Charge Card Transaction Set (MR)

**The State requires support for the full range of credit/charge card transactions. Please indicate CA's system and terminal support in the table below:**

Credit/Charge Card Transaction Set

| Levels of Service | Currently Available | Planned Availability Date | Comments |
|---|---|---|---|
| VII.1 Sales Authorization | Yes | | |
| VII.2 Credit (returns) | Yes | | |
| VII.3 Pre-authorization | Yes | | |
| VII.4 Pre-authorization Cancellation | Yes | | |
| VII.5 Post Authorization | Yes | | |
| VII.6 Purchase Cancel | Yes | | |
| VII.7 Off-line Purchase | Yes | | |

## SECTION VIII
## TECHNOLOGY & COMMUNICATIONS CAPABILITIES

A. Computer Systems, Facilities and Sites

Please describe CA's data processing facilities, configurations, and location(s). If there are multiple sites, please explain load allocation and the current capacity loading of each processing facility, and any likely effects on DGS or the State agencies.

***NOVA's transaction network is serviced by two separate long distance carriers, WorldCom and AT&T. The primary network is WorldCom based and the back-up is AT&T based. All dial-up devices accessing the NOVA Network are programmed to dial the primary network on the first attempt and automatically retry the transaction on the back-up network if the first attempt fails. All lease line interfaces are backed up by a duplicate line through a different carrier or a dial back-up line through a different carrier.***

***The current simultaneous capacity for calls through the NOVA network is greater than 2,800. These l ines are split between our Atlanta and Knoxville locations and provide total redundancy and back-up capabilities for authorization and settlement from separate sites in separate cities for all NOVA network traffic. The system is scalable.***

B. Hardware, Software, and Operating Systems

Briefly describe the hardware, software, and operating systems that will be used to support the services as outlined in this RFP.

***NOVA uses a scalable, fully fault-tolerant Stratus computer for its' authorization and capture system. It provides 24 hours, seven days per week service and does not have scheduled periods of downtime. All the vital components are duplicated so that if one fails, the system will continue to operate. NOVA maintains two separate processing sites, a primary and a back up, located in Knoxville, TN and Atlanta, GA. If the primary site should go down, processing will switch to the back-up site.***

***The stratus system currently supports a transaction per second capacity of 110 and has sufficient unused capacity to support the authorization volumes represented herein. This capacity is shared equally by our Knoxville and Atlanta networks and provides total redundancy and back-up capabilities for authorization and settlement from separate sites in separate cities for all NOVA network traffic***

*NOVA's primary operations center is located in Knoxville, Tennessee, where all merchant implementation, customer service, chargeback processing, and equipment deployment is centralized. NOVA has designed its' own proprietary backoffice management software (ECLIPSE) to provide real-time access to all transactions on the NOVA Network to expedite customer service, fraud monitoring and other support functions. This system is centralized in Knoxville and is a client-server, PC-based system utilizing dual COPAQ 4500's as servers.*

C. Provisions for Normal Operating Problems

Describe provisions for normal operating problems. Summarize the system and facility redundancy strategy in design and in operation.

*NOVA uses a fully fault tolerant Stratus computer for its authorization and capture system. It provides 24 hours, seven days per week service and does not have scheduled periods of downtime. All the vital components are duplexed so that if one fails, the system will continue to operate. NOVA maintains two separate processing sites a primary and a back up, located 12 miles apart. If the primary site should go down, processing will switch to the back-up site. NOVA has two completely different transaction networks. The primary network is MCI WorldCom based and the back up is AT&T based. All dial-up devices accessing the NOVA Network are programmed to dial the primary network on the first attempt and automatically retry the transaction on the back-up network if the first attempt fails. All leased line interfaces are backed up by a duplicate line through a different carrier or a dial back-up line through a different carrier.*

*OPC reposne below:*

*IVR Servers*

*Official Payments an IVR server farm in the San Ramon facility. The servers can handle a peak capacity of 8,064 simultaneous calls before calls begin rolling to the company's backup facility in Northern CA. As an auxiliary backup, a set of cold servers is maintained and can be installed and brought live within minutes.*

*Web Servers*

*The Web server system encompasses 10 fault-tolerant Web servers, established in a cluster environment. OPC's cluster environment is a group of independent computers working together as a single system to ensure that the company's payment systems are never down. The group is managed as a single system, and is specifically designed to tolerate component failures, and to support the addition or removal of components in a manner transparent to users. As an auxiliary backup, a set of cold servers is maintained and can be installed and brought live within minutes.*

*Credit-Card Processing Servers*

***OPC's multiple credit-card processing servers are set to automatically roll to backup servers, configured on entirely separate circuits to ensure that no single point of failure exists in the system. The servers use a variety of technologies to communicate with processing entities. As an auxiliary backup, a set of cold servers is maintained and can be installed and brought live within minutes.***

*EDI Servers*

***The EDI server is manned during its daily operation by Senior Engineers, to monitor that data transmission is successfully completed. The EDI server can be replaced with a cold backup server, which can be brought live within minutes. This ensures minimal delay in transmission of data. Data transmission is protected by 3DES encryption, the highest legal encryption level allowed by the U.S. government.***

D. Emergency

Describe provisions for back-up and recovery in an emergency situation or in loss of power circumstances. Please address CA's ability to operate on a sustained basis independent of public sources of electrical power. Summarize the crisis contingency plans for each processing facility.

***NOVA currently operates two generators at each site thus eliminating the need for public utility power.***

***NOVA uses a fully fault tolerant Stratus computer for its authorization and capture system. It provides 24 hours, seven days per week service and does not have scheduled periods of downtime. All the vital components are duplexed so that if one fails, the system will continue to operate. NOVA maintains two separate processing sites a primary and a back up, located 12 miles apart. If the primary site should go down, processing will switch to the back-up site. NOVA has two completely different transaction networks. The primary network is MCI WorldCom based and the back up is AT&T based. All dial-up devices accessing the NOVA Network are programmed to dial the primary network on the first attempt and automatically retry the transaction on the back-up network if the first attempt fails. All leased line interfaces are backed up by a duplicate line through a different carrier or a dial back-up line through a different carrier.***

*OPC Plan*

***Should the primary site become inoperable, data must be retrieved from stored cartridges. A complete set of data are stored onsite in a waterproof, padded, fireproof safe for approximately one month, ensuring that the company always has immediate access to a***

*full copy of the latest data backups. Should the data onsite be destroyed, two separate sets of data are maintained outside of those in the San Ramon facility:*

1. *Northern CA Backup Data. Once weekly, a complete update of data is transferred to the Northern CA facility. This data is immediately available to OPC engineers dispatched to the Northern CA site.*
2. *Vanguard Vaults Backup Cartridges. Weekly, a complete set of updated data cartridges are shelved at Vanguard Vaults in Elk Grove, CA. Vanguard Vaults is the only vaulting facility in California located outside of both earthquake and flood zones. Vanguard guarantees delivery of these vaulted cartridges to Northern CA within three hours.*

*Devastation Site: Stamford, CT*
*Should a disaster impact both the primary facility in San Ramon and the facility in Northern CA, engineers would retrieve vaulted data from Vanguard Vaults, the only vaulting facility in California located outside of both earthquake and flood zones. Engineers would then transport the data to the corporate headquarters in Stamford, CT and begin the process of rebuilding the systems. The Stamford location is equipped with scaled-down servers that can be converted to IVR boxes while the remainder of the facility Is stocked with the proper equipment to bring the systems to full capacity.*

E. Communications and Network

Summarize the communications and network architecture you use to provide the services listed in this RFP.

*The Nova Network is the result of combining WorldCom's Common Channel Signaling Specifications Number Seven, commonly referred to as "SS7" switching systems, with the use of advanced Integrated Digital Services Network "ISDN" and Non-Facilities Associated Signaling "NFAS features. SS7 is high speed call switching technology utilized in telecommunications networks and originally intended only for carrier-to-carrier use, such as a regional phone company switching long distance calls to WorldCom for transmission, as opposed to use by end-users such as NOVA and it's merchants. However, our relationship with our equity partner WorldCom has allowed NOVA to capitalize on this technology to provide the fastest response times in the industry. Not only is the toll-free access coupled with SS7 technology just as fast as 950 technology it also affords additional benefits in that coverage is nationwide, even in small town areas, and incurred message unit costs (in certain regions) with a local call are avoided.*

*NOVA's transaction network is serviced by two separate long distance carriers, WorldCom and AT&T. The primary network is WorldCom based and the back-up is AT&T based. All dial-up devices accessing the NOVA Network are programmed to dial the primary network on the first*

*attempt and automatically retry the transaction on the back-up network if the first attempt fails. All lease line interfaces are backed up by a duplicate line through a different carrier or a dial back-up line through a different carrier.*

*The current simultaneous capacity for calls through the NOVA network is greater than 2,800. These lines are split between our Atlanta and Knoxville locations and provide total redundancy and back-up capabilities for authorization and settlement from separate sites in separate cities for all NOVA network traffic. The system is scalable.*

- Indicate the communications and network technical support hours of operation (PST).

*NOVA will provide the State of CA 24 hour access to a Network Support Technician. OPC Communications and network technical support are available Monday through Friday, 7:30 a.m. to 6:00 p.m., Pacific Time Zone. The State of California will be provided with a technical contact reachable by pager 24 hours a day in the event of an emergency. The company's Senior Network Engineer and additional technical staff reside 200 yards from the main facility in San Ramon, CA and can be on site in minutes in the event of an emergency.*

- Outline the response time standards supported by CA's technical operations.

*NOVA and OPC's technical operations group strives to resolve problems immediately, with no downtime to the customer. Once problems are identified and interim solutions are in place, the group strives to reach permanent resolution within 24 hours.*

- List the carrier(s) that provide CA's primary and any secondary telecommunications service.

*NOVA*
*ATT and Worldcom Provide the primary and secondary lines for access to the NOVA Network. Our Internet systems ride the rails of UUNET Internet Services.*
*OPC*
*PacBell administers OPC's local lines; Sprint and PacBell administer long-distance lines. Expresstel and Intermedia provide additional redundancy and telecommunications support.*

## SECTION IX - TERMINAL SUPPORT SERVICES

A. Terminal Installation and Support (MR)

**Individual agency terminal requirements may vary; however, all agencies will require complete "turnkey" terminal installation, training and support services. Terminal lease/purchase/rental, installation and support should be included in the bidder's proposal so that a separate contract for terminals is not required.**

Please list all POS terminal equipment manufacturers and models that are available and supported.

***NOVA currently supports all terminals listed below:***

***Hypercom***

***T7P, T77, ICE 5500, 5000, 6500***

***Verifone***

***Zon Jrxl, Tranz 330, 380, 460, Omni 3200***

***Lipman***

***Nurit 2085, 2090, 3010***

B. Terminal Functions

The table below lists a series of POS terminal credit authorization, EDC, and settlement-related functions that facilitate card acceptance. Please indicate whether each of the functions is currently supported through CA's system and the terminals supported or, if not currently supported, when the function will be supported. Please add any explanatory comments that may be appropriate.

| Functions/ Capabilities | Currently Available | Planned Availability Date | Comments |
|---|---|---|---|
| IX.1<br>Batch entry of off-line transactions | Yes | | |
| IX.2 | Yes | | |

| Functions/ Capabilities | Currently Available | Planned Availability Date | Comments |
|---|---|---|---|
| Batch authorizations of off-line transactions | | | |
| IX.3<br>Identify (flag) off-line transactions | Yes | | |
| IX.4<br>Include off-line transactions in batch totals | Yes | | |
| IX.5<br>Recall transaction by sales receipt | Yes | | |
| IX.6<br>Recall transaction by card number | Yes | | |
| IX.7<br>Edit entries (or prompt) for required information | Yes | | |
| IX.8<br>Scroll transaction log | Yes | | |
| IX.9<br>Enter transaction edits/ adjustments | Yes | | |
| IX.10<br>Display stored transaction records | Yes | | |
| IX.11 | | | |

| Functions/ Capabilities | Currently Available | Planned Availability Date | Comments |
|---|---|---|---|
| Display magnetic stripe data for stored transactions | Yes | | |
| IX.12<br>Last transaction reprint | Yes | | |
| IX.13<br>Pre-programmed alternate telephone numbers | Yes | | |
| IX.14<br>Automatic download of terminal data | Yes | | |
| IX.15<br>PIN pad support | Yes | | |
| IX.16<br>Smart card/chip card support | No | 1st Qtr 2002 | |
| IX.17<br>Data collection and support for preferential card interchange rates | Yes | | |

## SECTION X - SETTLEMENT & DATA TRANSMISSION SERVICES

**The table below lists a series of card payment settlement and data transmission functions that facilitate card acceptance and payment reconciliation and settlement. Please indicate whether each of the functions is currently supported through CA's system and equipment or, if not currently supported, when the function will be available. Please add any explanatory comments that may be appropriate.**

| Functions/ Capabilities | Currently Available | Planned Availability Date | Comments |
|---|---|---|---|
| X.1<br>System calculates totals and summaries | Yes | | |
| X.2<br>Support reconciliation of terminal log to paper transactions | Yes | | |
| X.3<br>Multi-point settlement transmissions | Yes | | |
| X.4<br>Host verification of settlement transmissions | Yes | | |
| X.5<br>Host verification of totals | Yes | | |
| X.6<br>Summary of sales and credit transactions for payment | Yes | | |
| X.7<br>Reporting levels and distribution options | Yes | | |

**J. Pricing Information**

## SECTION XI - PRICING

The pricing structure in CA's proposal will apply to any and all State agencies that choose to engage CA's services. This approach will prevent the need for additional procurements by individual agencies. However, neither the State nor DGS makes any representation that any State agency will choose to engage the services of any particular contractor under the Master Services Agreement to be established as a result of this RFP.

Note: A list of credit card volumes from State agencies, colleges, and universities covering 1999 and 2000 are set forth in Section XIII for reference. However, neither the State, nor DGS, nor any individual State agency makes any guarantee of the credit and/or debit card volume any contractor may obtain.

**A.** Combined Volume Pricing

Under the Master Services Agreement it is anticipated that the transaction volumes and card activity of all agencies that engage the same contractor will be combined to qualify for any volume, discount, or tier based pricing and fees. Please indicate CA's understanding and agreement to this in CA's pricing schedule.

***Proposed pricing schedule is as follows:***

| | |
|---|---|
| **General Rates** | |
| Swipe Transactions | 1.61%+ $.07 |
| Visa CNP Keyed | 1.67% |
| Visa EIRF | 2.36% |
| MC Keyed | 2.09% |
| MC CNP | 2.10% |
| Std Transactions | 2.73% |
| **Corporate Rates** | |
| Standard | 2.69% |
| Electronic | 2.48% |
| **International Rates** | |
| Standard | 2.31% |
| Electronic | 1.63% |
| **Non Bankcard** | |
| Debit Pricing | $0.30 |
| AMEX Discover | $0.10 |

***OPC pricing will be 2.5% of the transaction amount for all tax-based agencies. This is currently the pricing agreement OPC has with the California FTB, BOE, and EDD. Non-***

***tax based transaction convenience fees will be assessed according to OPC Tier 67. Please see Exhibit "I" for Tier 67 pricing.***

**B.** Term Pricing Schedule

Pricing schedules are to cover the three-year period from January 1, 2002 through December 31, 2004 and subsequent extensions, if any, until the expiration of the entire term of the MSA.

***NOVA accepts the Term Pricing Schedule provided increases in pricing are permissible when interchange fees are raised.***

**C.** Service Level Pricing (MR)

Discount rates should be provided for each of the Levels of Service to be made available as outlined in Section VI, Levels of Service.

***Per grid, this has been provided.***

**D.** Bundled Pricing (MR)

Discount rate quotes should be bundled to include all processing-associated costs including, but not limited to, authorization and capture, pass-through costs, the cost of transferring receipts to ZBA, interchange rate of the bank card associations, all related reporting, the cost of bonds, insurance, permit fees, taxes and any costs incidental to providing credit card processing services. The discount rate must reflect all of the vendor's costs to the State for processing services, excluding terminals, and must be inclusive of all transaction types.

- Discount rates must be provided for bankcards (MasterCard and Visa) (MR).

***Per grid, this has been provided.***

- 
- Please verify that CA's system supports the preferential rate of the bankcard associations and charge card companies.

***The State qualifies for Emerging Market Pricing according to VISA.***
***All discount rate quotes are to be applicable to all current and future card acceptance during the term of the initial Master Services Agreement and any extensions.***

***NOVA acknolwedges this request. NOVA wishes to reserve the right to pass on any interchange increases by the Card Associations.***

E. Funds Availability Option

Indicate any pricing variations associated with funds availability schedules and the options available to State agencies.

***Funds availability does not affect pricing proposal.***

F. Terminal Pricing

It is preferred that terminal pricing be separate. If, however, terminal pricing is included in the discount rate, it must be clearly identified as such. Terminal fees should include a description of the available equipment and any options, as the well as purchase, rent or lease options. Include any additional fees associated with terminal maintenance and operation including shipping costs, maintenance fees, and any other labor or service fees.

***Please see below for a listing of proposed terminal pricing:***

| Monthly payout on Equipment | | |
|---|---|---|
| Equipment | Lease | Rental |
| Terminal / printer | $ 22.00 | $ 24.00 |
| Pin Pad | $ - | $ 5.00 |
| Purchase Pricing for Terminals | | |
| Terminal / Printer | | |
| Verifone New | $ 500.00 | |
| Verifone Refurbished | $ 450.00 | |
| Verifone PinPad | $ 98.00 | |
| Hypercom New | $ 450.00 | |
| Hypercom PniPad | $ 150.00 | |
| Manual Imprinter | $ 25.00 | |
| Purchase Grid for PC Products | | |
| | Initial fee | Monthly Fee |
| ACS | Waived | Waived |
| ViaWARP 1-10 users | $ 199.00 | $ 9.99 |
| ViaWARP 11-50 users | $ 599.00 | $ 14.99 |
| ViaWARP 51-150 users | $ 799.00 | $ 19.99 |

## Other Costs

All of the bidder's costs to the State should be included in the pricing as outlined above, and must be consistent with the requirements outlined throughout this RFP. If, however, there are pricing issues or options that require further or separate explanation, the bidder should be clear on the price to the State and where such fees are applicable. Note that DGS and the State view the contractor as having the expertise in the field of card payment acceptance and associated requirements and costs. Therefore, the burden is on the bidder to clearly and accurately describe its pricing and the services covered in the proposal.

*The remaining fees associated with the State of CA include the following:*

| | |
|---|---|
| *Account set up fee* | *WAIVED* |
| *Monthly Statement fee* | *WAIVED* |
| *Add location fee* | *WAIVED* |
| *One time encryption fee for PinPads* | *WAIVED* |
| *Monthly minimum fee* | *WAIVED* |

*OPC fees*

*OPC absorbs all costs related to development, implementation, maintenance, telecommunications and all transaction processing fees and costs. Additionally, OPC absorbs all credit card acceptance fees. In return, OPC will assess a convenience fee (in accordance with all Federal, State and Local laws) to those customers/users who pay amounts owed to State of California through our IVR or Internet payment solutions. The customer/user must confirm the convenience fee in order to proceed with the payment and receive a confirmation number. The customer/user can exit out of the payment session at any time without cost or penalty.*

*OPC processes the convenience fee as a separate transaction in the name of OPC Corporation and settles these transactions to the company's own designated settlement institution. This transaction is clearly described on the customer/user's card statement.*

*OPC processes the payment amount owed to the State of California as a separate transaction in the name of the State. Settlement of these funds will be deposited to the designated State of California bank account.*

*As a result, the company's Internet and IVR payment solutions will be free of charge to the State of California.*

***OPC pricing will be 2.5% of the transaction amount for all tax-based agencies. This is currently the pricing agreement OPC has with the California FTB, BOE, and EDD. Non-tax based transaction convenience fees will be assessed according to OPC Tier 67. Please see Exhibit "I" for Tier 67 pricing.***

## G. Unique Capabilities

*The most unique capability of NOVA that we can provide exceptionally fast response times. Due to the NOVA Network's TCP / IP backbone, NOVA can provide the fastest response times in the industry while providing the most reliable network in transaction processing today.*

*OPC systems are currently working for more than 900 clients in 48 states. OPC is the leader in IVR and Internet electronic payment solutions. OPC listens to its clients and their citizens and uses their feedback to better its services.*

*Currently, consumers can use their American Express, Discover, MasterCard and Visa credit cards to pay for their transaction using OPC IVR and Internet payment solutions. PIN-less debit cards are accepted as well. As OPC continues to grow it looks to expand its electronic payment options for consumers. Thus, OPC is currently developing an e-check payment solution, which will be available in the fourth quarter of this year.*

## A. Additional Payment Options

Additional payment options may be introduced in the future. Therefore, DGS wishes to understand the capabilities of prospective bidders with respect to support for other payment instruments and technologies.

Please add to your proposal a description and explanation of other payment services supported. DGS wishes to understand how these services are supported and would be made available to the State.

Please explain your available services or programs and any business relationships for the delivery of such services as:

- EFT and ACH-based payment services
  *In process of partnering to provide this service*
- EDI support
  *In process of developing this type of support*
- ATM support for non-cash services
  *In process of working through this with our new bank partner*
- Kiosk/customer information terminals
  *In queue to be developed late 2002*
- Gateway services and network access

*Currently support. There are over 52 Commercial Internet Gateways using the NOVA Payment Gateway specifications*

- Smart cards
  *Currently developing this product in our European market*
- Pre-paid/stored value cards
  *Product lauch of early version of this product slated for august 13, 2001*
- Personal check processing
  *Currently reviewing product belonging to our new Bank partner*
- Internet payments (including SET compliance)
  *Currently available*
- Other PC-based payments
  NOVA is currently developing an entire suite of services from Wireless Applications to Enterprise Solutions.
- Any other ancillary payment support and information services
  *Currently working on payroll, enterprise solutions, inventory control services*

# GOVERNMENT MERCHANT PROCESSING AGREEMENT

This Merchant Processing Agreement ("Agreement") is entered into as of the date set forth below, by and among the State of California ("Merchant" or "you"), NOVA Information Systems, Inc., a Georgia corporation ("NOVA") and Member (as defined in Section 16(D) herein.

## Recitals

A. Merchant desires to accept credit cards validly issued by members of Visa U.S.A., Inc. ("Visa") and MasterCard International, Incorporated ("MasterCard") ("Card" or "Cards").

B. NOVA and Member desire to provide credit card processing services to Merchant.

C. Therefore, Merchant, NOVA and Member agree as follows:

## Terms and Conditions

**1. Honoring Cards.**

A. Without Discrimination. You will honor, without discrimination, any Card properly tendered by a Cardholder. "Cardholder" means a person possessing a Card and purporting to be the person in whose name the Card is issued.

B. Cardholder Identification. You will identify the Cardholder and check the expiration date and signature on each Card. You will not honor any Card if:

i. the Card has expired,

ii. the signature on the sales draft does not correspond with the signature on the Card, or

iii. the account number embossed on the Card does not match the account number on the Card's magnetic stripe (as printed in electronic form) or the account number is listed on a current Electronic Warning Bulletin file.

Unless permitted under the Laws and Rules (defined below), you will not require a Cardholder to provide personal information, such as a home or business telephone number, a home or business address, or a driver's license number, as a condition for honoring a Card.

C. Card Recovery. You will use reasonable efforts to recover any Card:

i. on Visa Cards, if the printed four digits above the embossed account number do not match the first four digits of the embossed account number,

ii. if you are advised by Member (or its designee), the issuer of the Card or the designated voice authorization center to retain it,

iii. if you have reasonable grounds to believe the Card is counterfeit, fraudulent or stolen, or not authorized by the Cardholder, or

iv. for MasterCard Cards, the embossed account number, indent printed account number and/or encoded account number do not agree, or the Card does not have a MasterCard hologram on the lower right corner of the Card face.

D. Surcharges. You will not add any amount to the posted price of goods or services you offer as a condition of paying with a Card, consistent with the Laws and the Rules. This

paragraph does not prohibit you from offering a discount to induce a person to pay by cash, check or similar means rather than by using a Card.

E. Return Policy. You will properly disclose to the Cardholder, at the time of the Card transaction and in accordance with the Rules, any limitation you have on accepting returned merchandise.

F. No Claim Against Cardholder. You will not have any claim against, or right to receive payment from, a Cardholder or any other customer in any Card transaction unless Member or NOVA refuses to accept the Sales Draft (as defined in Section 3) or revokes its prior acceptance of the Sales Draft (after receipt of a chargeback or otherwise). You will not accept any payments from a Cardholder relating to previous charges for merchandise or services included in a Sales Draft, and if you receive such payments, you promptly will remit them to Member.

G. Disputes With Cardholders. All disputes between you and any Cardholder relating to any transaction paid with a Card will be settled between you and the Cardholder. Neither NOVA nor Member bears any responsibility for the underlying transactions.

H. Employee Actions. You are responsible for your employees' actions while in your employ.

**2. Authorization.**

A. Required on all Transactions. You will obtain a prior authorization via electronic terminal or similar device before completing any transaction. You will follow any instructions received during such authorization process. Upon receipt of authorization, you may consummate only the transaction authorized and must note on the Sales Draft the authorization number. In any case in which a transaction is competed without imprinting the card, the Merchant, whether or not authorization is obtained, shall be deemed to warrant the true identity of the customer as the Cardholder, unless the Merchant has obtained and noted on the Sales Draft independent evidence of the Cardholder's true identity.

B. Effect. Authorizations are not a guarantee of acceptance or payment of the Card transaction and will not waive any provision of this Agreement or otherwise validate a fraudulent transaction or a transaction involving the use of an expired Card.

C. Unreadable Magnetic Stripes. If you authorize and present Card transactions electronically and your terminal is unable to read the magnetic stripe on the Card, you will obtain an imprint of the Card and the Cardholder's signature on the imprinted draft before presenting the Sales Draft to Member and NOVA for processing.

**3. Presentment of Sales Drafts.**

A. Forms. You will use a sales draft or other form approved by Member and NOVA ("Sales Draft") to document each Card transaction. Each Sales Draft will be legibly imprinted with:

i. Merchant's name and account number,
ii. the information embossed on the Card presented by the Cardholder (either electronically or manually),
iii. the date of the transaction,

iv. a brief description of the goods or services involved,
v. the transaction authorization number,
vi. the total amount of the sale (including any applicable taxes) or credit transaction, and
vii. adjacent to the signature line, a notation that all sales are final, if applicable.

B. Signatures. Sales Drafts must be signed by the Cardholder. The requirement for the Cardholder's signature on the Sales Draft will only be waived if the Card transaction is a valid mail/telephone order or electronic commerce Card transaction which fully complies with the requirements set forth in this Agreement.

C. Reproduction of Information. If the following information embossed on the Card and the Merchant's name is not legibly imprinted on the Sales Draft, you will legibly reproduce:

i. the Cardholder's name,
ii. account number,
iii. expiration date, and
iv. the Merchant's name and place of business.

Additionally, for MasterCard transactions, you will legibly reproduce the name of the bank that issued the Card as it appears on the face of the Card.

D. Delivery and Retention of Sales Drafts. You will deliver a complete copy of the Sales Draft or credit voucher to the Cardholder at the time of the transaction. You will retain the "merchant copy" of the Sales Draft or credit memorandum for at least 3 years following the date of completion of the Card transaction (or such longer period as the Rules may require).

E. Electronic Transmission. If you utilize electronic authorization and/or data capture services, you will enter the data related to a sales or credit transaction into a computer terminal or magnetic stripe reading terminal no later than the close of business on the date the transaction is completed. If you provide your own electronic terminal or similar device, such terminals must meet NOVA's requirements for processing transactions. Information regarding a sales or credit transaction transmitted with a computer or magnetic stripe reading terminal will be transmitted by you to NOVA or its agent in the form NOVA from time to time specifies, or as required under the Laws or Rules. If Member or NOVA requests a copy of a Sales Draft, credit voucher or other transaction evidence, you will provide it within 3 business days following the request.

**4. Deposit of Sales Drafts.**

A. Funds.

i. Deposits. You agree that this Agreement is a contract of financial accommodation within the meaning of the Bankruptcy Code, 11 U.S.C. § 365, as amended from time to time. Subject to this Section, Member will deposit to the Merchant Account (defined in Section 6 below) all funds evidenced by Sales Drafts (whether evidenced in writing or by electronic means) complying with the terms of this Agreement and the Rules and will provide you provisional credit for such funds (less recoupment of any credit(s), adjustments, or chargebacks ). You acknowledge that your obligation to NOVA and Member for all amounts owed under this Agreement arise out of the same transaction as Member's obligation to deposit funds to the Merchant Account

ii. Provisional Credit. Notwithstanding the previous sentences, under no circumstance will Member or NOVA be responsible for processing credits or adjustments related to Sales Drafts not originally processed by Member and NOVA. All Sales Drafts and deposits are subject to audit and final checking by Member and NOVA, and may be adjusted for inaccuracies. You acknowledge that all credits provided to you are provisional and are subject to chargebacks and adjustments in accordance with the Rules. You further acknowledge that a credit is provisional and subject to adjustment if the credits are the subject of suspected fraud or a breach of this Agreement, whether or not a transaction is charged back by the Card issuer.

B. Chargebacks. You are fully liable to NOVA and Member for all transactions returned to NOVA or Member for whatever reason, otherwise known as "chargebacks". You will pay NOVA and Member on demand the value of all chargebacks. You will fully cooperate with NOVA and Member in complying with the Rules regarding chargebacks.

C. Excessive Activity. Your presentation to NOVA of Excessive Activity will be a breach of this Agreement and cause for immediate termination of this Agreement. "Excessive Activity" means, during any monthly period, chargebacks and/or retrieval requests in excess of one percent (1%) of the average monthly dollar amount of your Card transactions. You authorize, upon the occurrence of Excessive Activity, Member and NOVA to take additional actions as either of them may deem necessary, including, but not limited to, suspension of processing privileges or creation or maintenance of a reserve account in accordance with this Agreement.

D. Credits.

i. Credit Memoranda. You will issue a credit memorandum, instead of making a cash advance, a disbursement or a refund on any Card transaction. Member will debit the Merchant Account for the total face amount of each credit memorandum submitted to NOVA. You will not submit a credit relating to any Sales Draft not originally submitted to NOVA, nor will you submit a credit that exceeds the amount of the original Sales Draft. You will, within the time period specified by applicable law, provide NOVA with a credit memorandum or credit statement for every return of goods or forgiveness of debt for services which were the subject of a Card transaction.

ii. Revocation of Credit. Member or NOVA may refuse to accept any Sales Draft or revoke its prior acceptance of a Sales Draft in the following circumstances: (a) the transaction giving rise to the Sales Draft was not made in compliance with all terms and conditions of this Agreement, the Laws and the Rules; (b) the Cardholder disputes his liability to Member for any reason, including but not limited to those chargeback rights enumerated in the Rules; or (c) the transaction giving rise to the Sales Draft was not directly between you and the Cardholder. You will pay Member or NOVA, as appropriate, any amount previously credited to you for a Sales Draft not accepted by Member or NOVA.

E. Reprocessing. Notwithstanding any authorization or request from the Cardholder or customer, you will not reenter or reprocess any Card transaction which has been charged back.

F. Factoring. You will not present for processing or credit, directly or indirectly, any transaction not originated as a result of a card transaction directly between you and a Cardholder or any transaction you know or should know to be fraudulent or not authorized by the Cardholder. You will not sell or disclose to third parties Card account information other than in the course of performing your obligations under this Agreement.

**5. Other Types of Transactions.**

A. Mail Order. You may solicit and accept mail orders or telephone orders t ("mail/telephone orders"). You will obtain the expiration date of the Card for a mail/telephone order and submit the expiration date when obtaining authorization of the Card transaction. For mail/telephone order transactions, you will type or print legibly on the signature line of the Sales Draft the following applicable words or letters: telephone order or "TO"; or mail order or "MO".

B. Recurring Transactions. For recurring transactions, you must obtain a written request from the Cardholder for such goods and services to be charged to the Cardholder's account, the frequency of the recurring charge and the duration of time during which such charges may be made. You will not complete any recurring transaction after receiving: (i) a cancellation notice from the Cardholder, (ii) notice from NOVA or Member, or (iii) a response that the Card is not to be honored. You must print legibly on the Sales Draft the words "Recurring Transaction".

C. Multiple Sales Drafts. You will include a description and total amount of goods and services purchased in a single sales transaction on a single Sales Draft or transaction record, unless: (i) partial payment is entered on the Sales Draft or transaction record and the balance of the transaction amount is paid in cash or by check at the time of transaction, or (ii) a Sales Draft represents an advance deposit in a Card transaction completed in accordance with this Agreement and the Rules.

D. Partial Completion.

i. Prior Consent. You may accept for payment by Card amounts representing a deposit or partial payment for goods or services to be delivered in the future. ii.

Acceptance. If you have obtained prior written consent, then you will complete such Card transactions in accordance with the terms set forth in this Agreement, the Rules, and the Laws. Cardholders must execute one Sales Draft upon making a deposit with a Card and a second Sales Draft upon paying the balance. You will note upon the Sales Draft the words "deposit" or "balance" as appropriate. You will not deposit the Sales Draft labeled "balance" until the goods have been delivered to Cardholder or you have fully performed the services.

E. Future Delivery. You may present Sales Draft or other memorandum to Member or NOVA for processing (whether by electronic means or otherwise) which relates to the sale of goods or services for future delivery.

F. Electronic Commerce Transactions.

i. Authorization. You may process electronic commerce ("EC") transactions, only if the transactions have been encrypted by a third party vendor acceptable to

NOVA and Member. If you submit EC transactions without NOVA's consent, NOVA may immediately terminate this Agreement. You understand that transactions processed via EC are high risk and subject to a higher incidence of chargebacks. You are liable for all chargebacks and losses related to EC transactions, whether or not: i) EC transactions have been encrypted; or ii) you have obtained NOVA's consent to engage in such transactions. Encryption is not a guarantee of payment and will not waive any provision of this Agreement or otherwise validate a fraudulent transaction. All communication costs related to EC transactions will be your responsibility. You understand that NOVA will not manage EC telecommunications link and that it is your responsibility to manage that link. You also understand that NOVA does not have a 7 days per week/24 hour per day operation. All EC transactions will be settled by Member into a depository institution of the United States in U.S. currency.

ii. Requirements. For goods to be shipped on EC transactions, you may obtain authorization up to 7 calendar days prior to the shipment date. The authorization is valid if the Sales Draft amount is within 15% of the authorized amount, provided that the additional amount represents shipping costs. Further, your web site must contain all of the following information: (a) complete description of the goods or services offered, (b) returned merchandise and refund policy, (c) customer service contact, including electronic mail address and/or telephone number, (d) transaction currency (such as U.S. or Canadian dollars), (e) export or legal restrictions, if known, and (f) delivery policy. If you store cardholder account numbers, expiration dates, and other personal cardholder data in a database, you must follow MasterCard's guidelines on securing such data.

**6. Merchant Account.**

A. Establishment and Authority. You will establish and maintain with Member one or more commercial checking account(s) to facilitate payment for Card transactions ("Merchant Account"). You will maintain sufficient funds in the Merchant Account to accommodate all transactions contemplated by this Agreement. Merchant will notify NOVA 48 hours before Merchant changes the Merchant Account.

B. Deposits. Member will deposit all Sales Drafts to the Merchant Account subject to Section 4 of this Agreement. You authorize Member or NOVA to initiate reversal or adjustment entries and initiate or suspend such entries as may be necessary to grant you conditional credit for any entry.

C. Asserted Errors. Promptly examine all statements relating to the Merchant Account, and immediately notify NOVA in writing of any errors. Your written notice must include: (i) Merchant name and account number, (ii) the dollar amount of the asserted error, (iii) a description of the asserted error, and (iv) an explanation of why you believe an error exists and the cause of it, if known. That written notice must be received by us within 30 days after you received the periodic statement containing the asserted error. You may not make any claim against Member or NOVA for any loss or expense relating to any asserted error for 60 days immediately following our receipt of your written notice.

D. ACH Authorization. You authorize Member, NOVA, and NOVA's agent to initiate credit entries to the Merchant Account, in accordance with this Agreement and the Authorization Agreement Regarding Automatic Funds Transfer (ACH Credits/Debits) provided by NOVA (the "ACH Authorization"). The ACH Authorization will remain in effect after termination of this Agreement. In the event you change the Merchant Account, you will execute a new ACH Authorization.

**7. Reserve Account.**

A. Reserve Account.

i. Establishment. Subject to the limits imposed by the State of California's Budget Act, upon the occurrence of a Reserve Event, you will establish and maintain a deposit account ("Reserve Account") at Member in the amount of the Reserve Amount. You authorize NOVA or Member to debit the Merchant Account to establish or maintain funds in the Reserve Account.

a) Reserve Events. The following will constitute Reserve Events: (1) fraudulent activity in any monthly period that equal or exceeds 1% of Merchant's average monthly volume over the preceding 12 month period, (2) chargebacks in any monthly period that equal or exceed 1% of the total dollar value of Sales Drafts, (3) NOVA's reasonable belief that you have accepted deposits but have not delivered the goods or services, (4) the commencement of bankruptcy, receivership, insolvency or similar action or proceeding initiated by or against you, and (5) termination of this Agreement for any reason.

b) Reserve Amount. "Reserve Amount" means an amount equal to the aggregate dollar value of 7 months of chargebacks plus 2 months of refunds.

c) Funding. Member and NOVA have the right to debit the Merchant Account to establish or maintain funds in the Reserve Account. Member or NOVA may deposit into the Reserve Account funds they would otherwise be obligated to pay you, for the purpose of establishing or maintaining the Reserve Account in accordance with this Section, if they determine such action is reasonably necessary to protect their interests.

ii. Authorizations. Member or NOVA may, without notice to you, apply deposits in the Reserve Account against any outstanding amounts you owe under this Agreement or any other agreement between you and Member or NOVA. Also, NOVA or Member may exercise their rights under this Section to collect any amounts due to Member or NOVA including, without limitation, rights of set-off and recoupment.

iii. Funds. Funds in the Reserve Account will remain in the Reserve Account until 90 days following termination of Reserve Events (1) through (4), above. With regard to Reserve Event number (5), (termination), in no event will you be entitled to a return of Reserve Account funds before 270 [days following the effective date of termination of this Agreement, provided, however, that you will remain liable to NOVA and Member for all liabilities occurring beyond such 270 day period. Member and NOVA will have sole control of the Reserve Account.

iv. Assurance. In the event of a bankruptcy proceeding and the determination by the court that this Agreement is assumable under Bankruptcy Code § 365, as amended from time to time, you must establish or maintain a Reserve Account in an amount satisfactory to NOVA or Member.

B. Remedies Cumulative. The rights conferred upon Member and NOVA in this Section are not intended to be exclusive of each other or of any other rights and remedies of Member and NOVA under this Agreement, at law or in equity. Rather, each and every right of Member and NOVA at law or in equity will be cumulative and concurrent and in addition to every other right.

**8. Fees and Other Amounts Owed.**

A. Fees. You will pay Member and NOVA fees for services, forms or equipment as set forth in NOVA's response to your request for proposal. Such fees will be calculated once each month for the previous month's activity. NOVA will send you a monthly account statement reflecting such amount, which will be paid within 45 days. In addition, during the term of this Agreement and following termination of this Agreement, you will immediately pay NOVA or Member any amount incurred by NOVA or Member attributable to this Agreement, including but not limited to chargebacks, fines imposed by Visa or MasterCard, non-sufficient fund fees, and ACH debits that overdraw the Merchant Account, Reserve Account, or any other account you have at Member.

B. Fee Amendments. The fees set forth in your request for proposal will not be amended by NOVA for the entire Term of the Agreement including any subsequent amendments except to pass through to you increases or decreases in interchange, assessments, or fees imposed by a third party.

**9. Information.** You must notify NOVA in writing of any changes to the information in the request for proposal, including but not limited to: any additional location or new business, type of goods and services provided, and how sales are completed (i.e., by telephone, mail, or in person at your place of business). The notice must be received by NOVA within 10 business days of the change. You will provide updated information to NOVA within a reasonable time upon request. You are liable to Member and NOVA for all losses and expenses incurred by Member or NOVA arising out of your failure to report changes to us.

**10. Representations and Warranties.** You represent and warrant to NOVA and Member at the time of execution and during this term of this Agreement that: A) you have never been placed on the MasterCard MATCH system or the Combined Terminated Merchant File; B) all transactions are bona fide, and no transaction involves the use of a Card for any purpose other than the purchase of goods or services from you; and C) you will comply with the Laws and Rules.

**11. Audit and Financial Information.** Merchant authorizes Member and NOVA, at Visa and/or MasterCard's direction, to audit Merchant's records to confirm compliance with this Agreement. Merchant will provide Member and NOVA financial statements and other financial information as requested from time to time.

**12. Third Parties.**

A. Services. You may be using special services or software provided by a third party to assist you in processing transactions, including authorizations and settlements, or accounting functions. You are responsible for ensuring compliance with the requirements of any third party in using their products. This includes making sure you have and comply with any software

updates. NOVA has no responsibility for any transaction until that point in time NOVA receives data about the transaction.

B. Use of Terminals Provided by Others. You will notify NOVA immediately if you decide to use electronic authorization or data capture terminals or software provided by any entity other than NOVA or its authorized designee ("third party terminals") to process transactions. If you elect to use third party terminals, you agree (i) the third party providing the terminals will be your agent in the delivery of Card transactions to Member via Visa Net or a similar data processing system or network; and (ii) to assume full responsibility and liability for any failure of that third party to comply with the Rules or this Agreement. Neither Member nor NOVA will be responsible for any losses or additional fees incurred by you as a result of any error by a third party agent or a malfunction in a third party terminal.

**13. Term and Termination.**

A. Term. The Agreement will become effective on the date Member executes this Agreement ("Effective Date"). The Agreement will remain in effect for the period specified in your request for proposal ("Term") unless terminated as set forth below.

B. Termination.

i. Without Cause. The Agreement may be terminated by any party to be effective at the end of the then current term by giving written notice of an intention not to renew at least 90 days before the end of the current term.

ii. With Cause. The appropriate party may terminate this Agreement immediately upon the occurrence of an Event of Default, defined below. Notice of termination may be given orally or in writing, but if given orally will be confirmed in writing. Termination will be effective on the date specified by the notice.

iii. Generally. Each party's rights of termination provided throughout this Agreement are cumulative. A specific right of termination enumerated in this Agreement will not limit any other right of any party to terminate this Agreement expressed elsewhere in this Agreement.

C. Events of Default. The following will constitute an Event of Default

i. Excessive Event. The occurrence of Excessive Activity.

ii. Mail or Telephone Orders. Accepting mail or telephone orders or electronic commerce transactions without NOVA's prior written consent.

iii. Nonpayment. You do not pay NOVA or Member any amount you owe NOVA or Member. NOVA or Member do not pay you any amount they owe to you subject to the provisions of Section 6(C).

iv. Adverse Financial Condition. Any party's financial condition changes adversely.

v. Garnishment. Your deposit accounts with Member, the Merchant Account, or any of your property in the possession of NOVA or Member is garnished or attached.

vi. Asset Assignment. Any party assigns its assets generally for the benefit of creditors.

vii. Bankruptcy. A party is insolvent as evidenced by its or the other party's records, or a proceeding is commenced by or against such party under any bankruptcy,

insolvency or similar law seeking an order to adjudicate such party bankrupt or insolvent or other relief with respect to such party or such party's debts, or seek appointment of a receiver or similar official for such party or for any substantial part of such party's assets.

viii. Breach. A party fails to perform a material obligation of this Agreement, and such failure continues for a period of 30 days after the breaching party receives notice of the breach.

ix. False Representation. Any representation and warranty by a party is or becomes false or misleading in any material respect as of the date made, or becomes false or misleading at any time during the term of this Agreement.

x. Third Party Action. Visa or MasterCard requires Member or NOVA to terminate this Agreement or cease processing transactions.

D. Action upon an Event of Default. Upon the occurrence of an Event of Default, NOVA may take the following action:

i. suspend processing privileges and terminate this Agreement,

ii. create a Reserve Account, or

iii. any other reasonable action deemed necessary by NOVA or Member to protect their interests.

E. Action upon Termination.

i. Terminated Merchant File. You acknowledge that Member and/or NOVA is required to report your business name to Visa and MasterCard when Merchant is terminated due to the reasons listed in the Rules.

ii. Merchant Account. Each party's obligations regarding accepted Sales Drafts will survive termination. You will pay Member and NOVA any amount you owe them upon demand, together with all costs and expenses incurred to collect such amount, including reasonable attorneys' fees.

iii. Equipment. Within 14 business days of the date of termination, you must return all equipment owned by NOVA and immediately pay NOVA any amounts you owe it for equipment costs.

**14. Compliance With Laws And Rules.** You agree to comply with all rules and operating regulations issued from time to time by MasterCard and Visa and any policies and procedures provided by Member or NOVA, including those set forth in the Merchant Operating Guide ("Rules"). The Rules are incorporated into this Agreement by reference as if they were fully set forth in this Agreement to the extent the Rules are not in conflict with the Master Service Agreement or your Request for Proposal. NOVA and/or Member will provide you with notice of changes in the Rules applicable to your acceptance of Cards. You will have at least thirty (30) days to comply with any changes unless a shorter period of time is mandated by either MasterCard or Visa. In the event of any noncompliance with the Rules, NOVA and/or Member shall give you written notice of such noncompliance; the notice shall specify the applicable Rule and the nature of the noncompliance. Upon receipt of the notice, you shall have 45 days to cure the noncompliance (the "Cure Period"); provided, however, the Cure Period may be less than 45 days in event that Visa or MasterCard requires action by you within a shorter period of time, in which case, you shall respond and/or cure the noncompliance within the time requested by Visa or MasterCard. You further agree to comply with all applicable state, federal and local laws, rules and regulations ("Laws"), as amended from time to time affecting acceptance of the cards, processing of card transactions, and the transactions contemplated by this Agreement.

## 15. Use of Trademarks and Confidentiality.

A. Use of Trademarks. Your use of Visa and MasterCard marks will fully comply with the Rules. Your use of Visa, MasterCard or other cards' promotional materials will not indicate, directly or indirectly, that Visa or MasterCard endorse any goods or services other than their own and you may not refer to Visa or MasterCard in stating eligibility for your products or services.

B. Confidentiality.

i. Cardholder Information. You will not disclose to any third party Cardholders' account information or other personal information except to an agent of yours assisting in completing a card transaction, or as required by law. You must keep all systems and media containing account, Cardholder or transaction information (physical or electronic, including but not limited to account numbers, card imprints, and TIDs) in a secure manner, to prevent access by or disclosure to anyone other than your authorized personnel. You must destroy in a manner that will render the data unreadable all such media that you no longer deem necessary or appropriate to store (except for Sales Drafts maintained in accordance with this Agreement, Laws, and the Rules). Further, you must take all steps reasonably necessary to ensure Cardholder information is not disclosed or otherwise misused.

ii. Prohibitions. You will not use for your own purposes, will not disclose to any third party, and will retain in strictest confidence all information and data belonging to or relating to the business of NOVA (including without limitation the terms of this Agreement), and will safeguard such information and data by using the same degree of care that you use to protect your own confidential information.

C. Return to NOVA. All promotional materials, advertising displays, emblems, Sales Drafts, credit memoranda and other forms supplied to you and not purchased by you or consumed in use will remain the property of NOVA and will be immediately returned to NOVA upon termination of this Agreement.

## 16. General Provisions.

A. Entire Agreement. This Agreement, including the Merchant Operating Guide and any amendment to this Agreement made in accordance with the procedures set forth in Section 16H. below, all of which are incorporated into this Agreement, constitutes the entire agreement between the parties, and all prior or other agreements or representations, written or oral, are merged in and superseded by this Agreement.

B. Assignability. This Agreement may be assigned by Member or NOVA, but may not be assigned by Merchant directly or by operation of law, without the prior written consent of Member and NOVA. If you nevertheless assign this Agreement without NOVA's consent, the Agreement will be binding on the assignee.

C. Designation of Member. NOVA, from time to time, may designate a financial institution that is a principal, sponsoring, affiliate, or other member of Visa and MasterCard as the "Member." NOVA will be responsible to Merchant for the performance of the Member.

D. Notices. Any written notice under this Agreement will be deemed given upon the earlier of: (i) actual receipt or (ii) five days after being deposited in the United States mail, and addressed to the last address shown on the records of the sender.

E. Bankruptcy. You will immediately notify Member and NOVA of any bankruptcy, receivership, insolvency or similar action or proceeding initiated by or against Merchant or any of its principals. You will include Member and NOVA on the list of creditors as filed with the Bankruptcy Court, whether or not a claim may exist at the time of filing, and failure to do so will be cause for immediate termination or any other action available to NOVA under applicable Rules or Law. You acknowledge that this Agreement constitutes an executory contract to make a loan, or extend other debt financing or financial accommodations to or for the benefit of you, and, as such, cannot be assumed or assigned in the event of your bankruptcy.

F. Customer Contact. You authorize Member and NOVA to contact your customers if they determine that such contact is necessary to find out information about any Card transaction between you and the customer.

G. Amendments. Member and NOVA may propose amendments or additions to this Agreement. Member or NOVA will inform you of a proposed change in a periodic statement or other written notice. You will be deemed to have agreed to the change if you continue to present transactions to Member and NOVA after 30 days following the mailing of the notice. Notwithstanding the previous sentence, changes to fees authorized by this Agreement will be effective upon notice to you, unless a later effective date is provided. Further, NOVA is entitled to pass through to you any fee increases imposed by Visa, MasterCard, or telecommunication vendors without giving you the right to terminate this Agreement.

H. Severability and Waiver. If any provision of this Agreement is illegal, the invalidity of that provision will not affect any of the remaining provisions and this Agreement will be construed as if the illegal provision is not contained in the Agreement. Neither the failure nor delay by any party to exercise, or partial exercise of, any right under this Agreement will operate as a waiver or estoppel of such right, nor shall it amend this Agreement. All waivers must be signed by all parties.

I. Independent Contractors. NOVA, Member and Merchant will be deemed independent contractors and none will be considered agent, joint venturer or partner of the other.

J. Survival. All provisions that by their context are intended to survive termination of this Agreement will so survive.

**Merchant:**

_____

By:_____

Name:_____

Title: _____

Date:_____

**NOVA Information Systems, Inc.**

By:_____

Name:_____

Title: _____

Date:_____

**Member:**

**Regions Bank, Montgomery, AL**

By:_____

Name:_____

Title: _____

Date:_____("Effective Date")

Exhibit "A"

NOVA Information Systems, Inc. Management

***Senior Management:***

| | |
|---|---|
| Edward Grzedzinski | Chairman of the Board, President and Chief Executive Officer |
| Pamela A. Joseph | Senior Executive Vice President, Business Development |
| Stephen M. Scheppmann | Executive Vice President, Finance |
| Cherie Fuzzell | Executive Vice President, Administration |
| David Strider | Executive Vice President, Operations and Customer Support |
| Erik J. Toivonen | Senior Vice President, Systems and Technology |

Management Bios:

**Edward Grzedzinski**
**Chairman of the Board, President and Chief Executive Officer**

Edward Grzedzinski has been the President and Chief Executive Officer of NOVA since 1993. He co-founded the company as its Chief Operating Officer in February 1991. Under his leadership, NOVA has grown from a small, privately held bankcard processing firm to become a publicly held company that ranks among the nation's largest providers of transaction processing services. He continues to be instrumental in the development and execution of NOVA's business strategy.

Mr. Grzedzinski has nearly 15 years of experience in the bankcard industry. Prior to founding NOVA, he served as an officer of Phoenix Consulting Group, Inc., a transaction processing consulting company. Earlier in his career, Mr. Grzedzinski held various management positions with Advance Mortgage Corporation (a subsidiary of Citicorp), Crocker National Bank, Telenet Communications Corporation and National Data Corporation.

**Pamela A. Joseph - Senior Executive Vice President, Business Development**

In her new role, she will be responsible for all business development functions including sales, marketing, product development and relationship management functions. In addition to these responsibilities, Ms. Joseph will also manage all merger and acquisition activities. She joined NOVA Information Systems, Inc. in July 1994 as Vice President of Marketing. She was named Senior Vice President, Business Development in December 1995 and Chief Information Officer of NOVA Corporation in January 1997.

Before joining NOVA, Ms. Joseph served nearly three years with VISA International as Director of New Market Development. In this position, she was responsible for the development of VISA acceptance in the supermarket industry. Prior to her tenure with VISA, Ms. Joseph served more than eight years in the banking industry with Wells Fargo Bank, where she held various senior sales and marketing positions. Ms. Joseph holds a bachelor's degree in Business Administration from the University of Illinois.

**Stephen M. Scheppmann -Executive Vice President, Finance**

In his new role, Mr. Scheppman will be responsible for all finance, accounting and annual operations planning functions. He joined NOVA Corporation in April 2000 as Executive Vice President and Chief Financial Officer with more than 20 years of financial and operating experience.

Before joining NOVA, Mr. Scheppmann served 11 years as Senior Vice President and Chief Financial Officer with Albecca, Inc., a distribution and manufacturing corporation that is the parent company of Larson-Juhl. Along with expanding operations through organic growth and 27-worldwide acquisitions, he was responsible for all accounting, investor relations and treasury functions. Mr. Scheppmann was also with Arthur Andersen Consulting for 10 years prior to joining Albecca, Inc., and holds a bachelor's of business administration in accounting from the University of Wisconsin.

**Cherie Fuzzell - Executive Vice President, Administration**

In her new role, Ms. Fuzzell will be responsible for legal affairs, human resources and facilities management functions. She joined NOVA Corporation in February 1999 as Senior Vice President and General Counsel.

Before joining NOVA, Ms. Fuzzell served four years with Magellan Health Services, initially as Assistant General Counsel and most recently as Vice President, Mergers and Acquisitions. Prior to her employment with Magellan, Ms. Fuzzell was a Senior Associate with the international law firm of Jones, Day, Reavis and Pogue. Ms. Fuzzell is a 1984 graduate of the University of Alabama and a 1987 graduate of the Vanderbilt University School of Law. She is a member of the Bar Associations of the States of Texas (1987), Ohio (1989) and Georgia (1994).

Exhibit "C"

NOVA California Client Listing

| Merchant Number | Merchant Name | Network | Equipment |
|---|---|---|---|
| 395400138000014 | City of Anaheim | Nova | Derivion-Interbiller\Internet |
| 395400138000013 | City of Anaheim | Nova | PC Charge (GoSoftware) |
| 395400138000012 | City of Anaheim | Visanet | Hypercom T7P |
| 395400138000011 | City of Anaheim | Visanet | Hypercom T7P |
| 395400138000010 | City of Anaheim | Visanet | Hypercom T7P |
| 395400138000009 | City of Anaheim | Visanet | Hypercom T7P |
| 395400138000008 | City of Anaheim | Visanet | Hypercom T7P |
| 395400138000007 | City of Anaheim | Visanet | Hypercom T7P |
| 395400138000006 | City of Anaheim | Visanet | Hypercom T7P |
| 395400138000005 | City of Anaheim | Visanet | Hypercom T7P |
| 395400138000004 | City of Anaheim | Visanet | Hypercom T7P |
| 395400138000003 | City of Anaheim | Visanet | Hypercom T7P |
| 395400138000002 | City of Anaheim | Visanet | Hypercom T7P |
| 395400138000001 | City of Anaheim | Visanet | Hypercom T7P |
| 395400136600099 | C O Operations | Visanet | Cybercash |
| 395400136500002 | CSU - Channel Islands | Visanet-V4099872 | 330 & 250 |
| 395400136500001 | CSU - Channel Islands Parking | Visanet | 330 & 250 |
| 395400136400099 | Cal State Teach | Visanet | Cybercash |
| 395400136300001 | CA State Summer School for the Arts | Visanet | 330 & 250 |
| 395400136200001 | Santa Cruz County Office of Ed | Visanet | 330 & 250 |
| 395400136100099 | CSU - Stanislaus | Visanet | Cybercash |
| 395400136100005 | CSU - Stanislaus | Visanet | 330 & 250 |
| 395400136100004 | CSU - Stanislaus | Visanet | 330 & 250 |
| 395400136100003 | CSU - Stanislaus | Visanet | 330 & 250 |
| 395400136100002 | CSU - Stanislaus | Visanet | 330 & 250 |
| 395400136100001 | CSU - Stanislaus | Visanet | 380 & 250 |
| 395400136000099 | CSU - Sonoma | Visanet | Cybercash |
| 395400136000004 | CSU - Sonoma | Visanet | 330 & 250 |
| 395400136000003 | CSU - Sonoma | Visanet | CashNet |
| 395400136000002 | CSU - Sonoma | Visanet | 330 & 250 |
| 395400136000001 | CSU - Sonoma | Visanet | 330 & 250 |
| 395400135900099 | CSU - San Marcos | Visanet | Cybercash |
| 395400135900006 | CSU - San Marcos - Web Processing | Nova | Web Authorize/Cybercash |
| 395400135900005 | CSU - San Marcos - Parking | Visanet - V4107924 | 330 & 250 |
| 395400135900004 | CSU - San Marcos -Cashiers | Visanet - V4107911 | 330 & 250 |
| 395400135900003 | CSU - San Marcos - Extended Ed | Visanet - V4107934 | 330 & 250 |
| 395400135900002 | CSU - San Marcos | Visanet- V4098251 | Salepoint |
| 395400135900001 | CSU - San Marcos | Telemoney #81493 | Brite Voice |
| 395400135800099 | CSU - San Luis Obispo | Visanet | Cybercash |
| 395400135800006 | CSU - San Luis Obispo - Ext Ed | Visanet | PC Charge |
| 395400135800005 | CSU - San Luis Obispo - Athletic | Visanet | Cybercash |
| 395400135800004 | CSU - San Luis Obispo (E-commerce) | Telemoney | Cashnet |
| 395400135800003 | CSU - San Luis Obispo (IVR) | Telemoney | Cashnet |
| 395400135800002 | CSU - San Luis Obispo | Visanet | Cybercash |
| 395400135800001 | CSU - San Luis Obispo | Visanet | 380 & 250 |
| 395400135700099 | CSU - San Jose | Visanet | Cybercash |

| | | | |
|---|---|---|---|
| 395400135600003 | CSU - San Francisco | Visanet | Cybercash |
| 395400135600003 | CSU - San Francisco - One Card Office | Visanet | Clear Commerce (AT&T) |
| 395400135600002 | CSU - San Francisco | Visanet | ?? |
| 395400135600001 | CSU - San Francisco | MAPP | Zon XL 300 |
| 395400135500099 | CSU San Diego | Visanet | Cybercash |
| 395400135400099 | CSU San Bernardino | Visanet | Cybercash |
| 395400135400095 | CSU San Bernardino | Visanet | Cybercash |
| 395400135400007 | CSU San Bernardino | Visanet | 330 & P250 |
| 395400135400006 | CSU San Bernardino | Visanet | 330 & P250 |
| 395400135400005 | CSU San Bernardino | Visanet | 330 & P250 |
| 395400135400004 | CSU San Bernardino | Visanet | 330 & P250 |
| 395400135400003 | CSU San Bernardino | Visanet | Paraphonics TT |
| 395400135400002 | CSU San Bernardino | Visanet | Sale Point |
| 395400135400001 | CSU San Bernardino | Visanet | 330 & 250 |
| 395400135300099 | CSU Sacramento | Visanet | Cybercash |
| 395400135300095 | CSU Sacramento | Visanet | Cybercash |
| 395400135300004 | CSU Sacramento | Visanet | IVR - SDC |
| 395400135300001 | CSU Sacramento | Visanet | 330 & 250 |
| 395400135200099 | CSU Pomona | Visanet | Cybercash |
| 395400135200010 | CSU Pomona | Nova | PC Transact |
| 395400135200009 | CSU Pomona | Nova | PC Transact |
| 395400135200008 | CSU Pomona close mid & V#S | Visanet | POS Partner |
| 395400135200007 | CSU Pomona | Visanet | POS Partner |
| 395400135200006 | CSU Pomona | Visanet | 330 & 250 |
| 395400135200005 | CSU Pomona | Visanet | 330 & 250 |
| 395400135200004 | CSU Pomona close mid & V#S | Visanet | POS Partner |
| 395400135200003 | CSU Pomona | Visanet | 330 & 250 |
| 395400135200002 | CSU Pomona | Visanet | POS Partner |
| 395400135200001 | CSU Pomona | Visanet | 330 & 250 |
| 395400135100099 | CSU Northridge | Visanet | Cybercash |
| 395400135100001 | CSU Northridge | MAPP | Cashnet |
| 395400135000099 | CSU Monterey Bay | Visanet | Cybercash |
| 395400135000095 | CSU Monterey Bay | Visanet | TouchNet |
| 395400135000001 | CSU Monterey Bay | Cashnet | MAPP |
| 395400134900099 | CS Maritime Academy | Visanet | Cybercash |
| 395400134900001 | CS Maritime Academy | Visanet | 330 & 250 |
| 395400134800099 | CSU Los Angeles | Visanet | Cybercash |
| 395400134800004 | CSU Los Angeles | Visanet | 330 & 250 |
| 395400134800002 | CSU Los Angeles | Visanet | 330 & 250 |
| 395400134800001 | CSU Los Angeles | Visanet | 330 & 250 |
| 395400134700099 | | Visanet | Cybercash |
| 395400134700005 | CSU Long Beach | MDI | PC |
| 395400134700004 | | Visanet | CashNet |
| 395400134700003 | Long Beach Int'l Program (separate from Long Be | Visanet | MAC Authorize |
| 395400134700002 | | Visanet | IVR - SDC |
| 395400134700001 | CSU Long Beach | MDI | PC |
| 395400134600099 | CSU Humboldt | Visanet | Cybercash |
| 395400134600095 | CSU Humboldt | Visanet | TouchNet |
| 395400134600003 | CSU Humboldt | ?? | ?? |

| | | | |
|---|---|---|---|
| 395400134600002 | CSU Humboldt | Visanet | 380, 330 & 250 |
| 395400134600001 | CSU Humboldt | Visanet | 330 & 250 |
| 395400134500099 | CSU Hayward | Visanet | Cybercash |
| 395400134500006 | CSU Hayward - tInterne | MAPP | CashNet |
| 395400134500005 | CSU Hayward | MAPP | Salepoint |
| 395400134500004 | CSU Hayward | MAPP | CashNet |
| 395400134500003 | CSU Hayward (Closed 9/13/00 replced by 0005 ac | MAPP | Sale Point |
| 395400134500002 | CSU Hayward | Visanet | IVR - SDC |
| 395400134500001 | CSU Hayward | Visanet | 380 & 250 |
| 395400134400099 | CSU - Fullerton | Visanet | Cybercash |
| 395400134400002 | CSU - Fullerton | Telemoney | CashNet |
| 395400134300099 | CSU - Fresno | Visanet | Cybercash |
| 395400134300003 | CSU - Fresno | Visanet | Cashnet |
| 395400134300001 | CSU - Fresno | Visanet | Sale Point |
| 395400134200099 | CSU - Dominquez Hills | Visanet | Cybercash |
| 395400134200002 | CSU - Dominquez Hills | Telemoney | Brite Voice |
| 395400134200001 | CSU - Dominquez Hills | Visanet | 330 & 250 |
| 395400134100099 | CSU - Chico | Visanet | Cybercash |
| 395400134100001 | CSU - Chico | Visanet | Sale Point |
| 395400134000099 | CSU Bakersfield | Visanet | Cybercash |
| 395400134000004 | CSU Bakersfield | Visanet | 330 & 250 |
| 395400134000002 | CSU Bakersfield | Visanet | 330 & 250 |
| 395400134000001 | CSU Bakersfield | Visanet | 330 & 250 |
| 395400132700001 | Cooperative Personnel Services | Nova | |
| 395400132600002 | Livermore Area Recreation & Parks | Visanet | T7P |
| 395400132600001 | Livermore Area Recreation & Parks | Visanet | T7P |
| 395400132400002 | Military Department - POST | Visanet (V4087254) | 380 x 2 |
| 395400132400001 | Military Department - FTDF | Visanet (V4087202) | 380 x 2 |
| 395400132300001 | CA Secretary of State | Visanet (V4029511) | Cybercash |
| 395400132200095 | Dept of Housing & Community | Visanet | Cybercash |
| 395400132100004 | Dept of Insurance - San Fran Licensing | Visanet | IC Verify |
| 395400132100003 | Dept of Insurance - LA Licensing | Visanet | IC Verify |
| 395400132100002 | Dept of Insurance - Sacramento Licensing | Visanet | IC Verify |
| 395400132100001 | Dept of Insurance - Sacramento Accting | Visanet | IC Verify |
| 395400132006010 | DMV Internet Discover mid | NOVA | IBM - Mainframe |
| 395400132006009 | DMV Internet Discover mid | NOVA | IBM - Mainframe |
| 395400132006008 | DMV Internet Discover mid | NOVA | IBM - Mainframe |
| 395400132006007 | DMV Internet Discover mid | NOVA | IBM - Mainframe |
| 395400132006006 | DMV Internet Discover mid | NOVA | IBM - Mainframe |
| 395400132006005 | DMV Internet Discover mid | NOVA | IBM - Mainframe |
| 395400132006004 | DMV Internet Discover mid | NOVA | IBM - Mainframe |
| 395400132006003 | DMV Internet Discover mid | NOVA | IBM - Mainframe |
| 395400132006002 | DMV Internet Discover mid | NOVA | IBM - Mainframe |
| 395400132006001 | DMV Internet Discover mid | NOVA | IBM - Mainframe |
| 395400132005010 | DMV Internet MC mid | NOVA | IBM - Mainframe |
| 395400132005009 | DMV Internet MC mid | NOVA | IBM - Mainframe |
| 395400132005008 | DMV Internet MC mid | NOVA | IBM - Mainframe |
| 395400132005007 | DMV Internet MC mid | NOVA | IBM - Mainframe |
| 395400132005006 | DMV Internet MC mid | NOVA | IBM - Mainframe |

| | | | |
|---|---|---|---|
| | DMV Internet MC mid | NOVA | IBM - Mainframe |
| 395400132005004 | DMV Internet MC mid | NOVA | IBM - Mainframe |
| 395400132005003 | DMV Internet MC mid | NOVA | IBM - Mainframe |
| 395400132005002 | DMV Internet MC mid | NOVA | IBM - Mainframe |
| 395400132005001 | DMV Internet MC mid | NOVA | IBM - Mainframe |
| 395400132004010 | DMV Internet Visa mid | NOVA | IBM - Mainframe |
| 395400132004009 | DMV Internet Visa mid | NOVA | IBM - Mainframe |
| 395400132004008 | DMV Internet Visa mid | NOVA | IBM - Mainframe |
| 395400132004007 | DMV Internet Visa mid | NOVA | IBM - Mainframe |
| 395400132004006 | DMV Internet Visa mid | NOVA | IBM - Mainframe |
| 395400132004005 | DMV Internet Visa mid | NOVA | IBM - Mainframe |
| 395400132004004 | DMV Internet Visa mid | NOVA | IBM - Mainframe |
| 395400132004003 | DMV Internet Visa mid | NOVA | IBM - Mainframe |
| 395400132004002 | DMV Internet Visa mid | NOVA | IBM - Mainframe |
| 395400132004001 | DMV Internet Visa mid | NOVA | IBM - Mainframe |
| 395400132003010 | DMV Internet Amex mid | NOVA | IBM - Mainframe |
| 395400132003009 | DMV Internet Amex mid | NOVA | IBM - Mainframe |
| 395400132003008 | DMV Internet Amex mid | NOVA | IBM - Mainframe |
| 395400132003007 | DMV Internet Amex mid | NOVA | IBM - Mainframe |
| 395400132003006 | DMV Internet Amex mid | NOVA | IBM - Mainframe |
| 395400132003005 | DMV Internet Amex mid | NOVA | IBM - Mainframe |
| 395400132003004 | DMV Internet Amex mid | NOVA | IBM - Mainframe |
| 395400132003003 | DMV Internet Amex mid | NOVA | IBM - Mainframe |
| 395400132003002 | DMV Internet Amex mid | NOVA | IBM - Mainframe |
| 395400132003001 | DMV Internet Amex mid | NOVA | IBM - Mainframe |
| 395400131900002 | CA Commission Teacher Credentialing (CCTC) | Visanet | 330 & 250 |
| 395400131900001 | CA Commission Teacher Credentialing (CCTC) | Visanet | POS Partner |
| 395400131800001 | DMV Refund Processing MID | MAPP | PC PLUS |
| 395400131700002 | CA Health Radiology | Visanet | POS Partners |
| 395400131700001 | CA Health Radiology | Visanet | POS Partners |
| 395400131600003 | CA Dept of Industrial Relations | Nova | PC Transact it |
| 395400131600002 | CA Dept of Industrial Relations | Nova | PC Transact it |
| 395400131600001 | CA Dept of Industrial Relations | Visanet | MAC Authorize |
| 395400131500003 | Ca Dept of Education | Visanet | Software-event 411 |
| 395400131500002 | Ca Dept of Education | Visanet | 330 & 250 |
| 395400131500001 | Ca Dept of Education | Visanet | 330 & 250 |
| 395400131400005 | Ca Dept of Conservation | Visanet | 330 & 250 |
| 395400131400004 | Ca Dept of Conservation | Visanet | 330 & 250 |
| 395400131400003 | Ca Dept of Conservation | Visanet | 330 & 250 |
| 395400131400002 | Ca Dept of Conservation | Visanet | 330 & 250 |
| 395400131400001 | Ca Dept of Conservation | Visanet | 330 & 250 |
| 395400131300002 | CA Dept of Real Estate | Visanet | Pos Partners 2000 |
| 395400131300001 | CA Dept of Real Estate | Visanet | 330 & 250 |
| 395400131200003 | Ca Energy Commissions | Visanet | 330 & 250 |
| 395400131200002 | Ca Energy Commissions | Visanet | 330 & 250 |
| 395400131200001 | Ca Energy Commissions | Visanet | 330 & 250 |
| 395400131100001 | CA Prison Industry Authority | Visanet | POS Partner |
| 395400131000001 | CA Law Revision Comm | Visanet | 330 & 250 |
| 395400130900001 | CA Afro-American Museum | Visanet | 380 & 250 |

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|---|---|---|---|
| 395400130800001 | Ca Edfund | Visnet | POS Partner |
| 395400130700002 | CA Dept of Health - Genetic Disease Branch | Visanet | POS Partner |
| 395400130700001 | CA Dept of Health - XAFP | Visanet | POS Partner |
| 395400130600004 | CA OES - Accounting | Visanet | POS Partner |
| 395400130600003 | CA OES - Accounting | Visanet | 330 & 250 |
| 395400130600002 | CA OES - Services (CSTI) | Visanet | 330 & 250 |
| 395400130600001 | CA OES - OCC/Firescope | Visanet | 330 & 250 |
| 395400130500014 | Ca Dept of Fish & Game | Visanet | T7P |
| 395400130500013 | Ca Dept of Fish & Game | Visanet | T7P |
| 395400130500012 | Ca Dept of Fish & Game | Visanet | T7P |
| 395400130500011 | Ca Dept of Fish & Game | Visanet | T7P |
| 395400130500010 | Ca Dept of Fish & Game | Visanet | T7P |
| 395400130500009 | Ca Dept of Fish & Game | Visanet | T7P |
| 395400130500008 | Ca Dept of Fish & Game | Visanet | T7P |
| 395400130500007 | Ca Dept of Fish & Game | Visanet | Internet Software |
| 395400130500006 | Ca Dept of Fish & Game | Visanet | T7P |
| 395400130500005 | Ca Dept of Fish & Game | Visanet | T7P |
| 395400130500004 | Ca Dept of Fish & Game | Visanet | T7P |
| 395400130500003 | Ca Dept of Fish & Game | Visanet | T7P |
| 395400130500002 | Ca Dept of Fish & Game | Visanet | T7P |
| 395400130500001 | Ca Dept of Fish & Game | Visanet | T7P |
| 395400130400003 | CA Dept of Pest Reg/Misc | Visanet | POS Partners |
| 395400130400002 | CA Dept of Pest Reg/Licensing | Visanet | POS Partners |
| 395400130400001 | CA Dept of Pest Reg/Publications | Visanet | POS Partners |
| 395400130300002 | CA Public Utilities Comm | Visanet | 330 & 250 |
| 395400130300001 | CA Public Utilities Comm | Visanet | 330 & 250 |
| 395400130200019 | CA DOT- Fastrak Toll | Visanet | Ic Verify |
| 395400130200018 | CA Dept of Transportation (Cal Trans) | Visanet | 330 & 250 |
| 395400130200017 | CA Dept of Transportation (Cal Trans) | Visanet | 330 & 250 |
| 395400130200016 | CA Dept of Transportation (Cal Trans) | Visanet | 330 & 250 |
| 395400130200015 | CA Dept of Transportation (Cal Trans) | Visanet | 330 & 250 |
| 395400130200014 | CA Dept of Transportation (Cal Trans) | Visanet | 330 & 250 |
| 395400130200013 | CA Dept of Transportation (Cal Trans) | Visanet | 330 & 250 |
| 395400130200012 | CA Dept of Transportation (Cal Trans) | Visanet | 380, 330 & 250 |
| 395400130200011 | CA Dept of Transportation (Cal Trans) | Visanet | 380 & 250 |
| 395400130200010 | CA Dept of Transportation (Cal Trans) | Visanet | 330 &250 |
| 395400130200009 | CA Dept of Transportation (Cal Trans) | Visanet | 330 & 250 |
| 395400130200008 | CA Dept of Transportation (Cal Trans) | Visanet | 330 & 250 |
| 395400130200007 | CA Dept of Transportation (Cal Trans) | Visanet | 330 & 250 |
| 395400130200006 | CA Dept of Transportation (Cal Trans) | Visanet | POS Partner |
| 395400130200005 | CA Dept of Transportation (Cal Trans) | Visanet | 330 & 250 |
| 395400130200004 | CA Dept of Transportation (Cal Trans) | Visanet | 330 & 250 |
| 395400130200003 | CA Dept of Transportation (Cal Trans) | Visanet | 330 & 250 |
| 395400130200002 | CA Dept of Transportation (Cal Trans) | Visanet | 330 & 250 |
| 395400130200001 | CA Dept of Transportation (Cal Trans) | Visanet | 330 & 250 |
| 395400130100019 | CA Dept of Motor Vehicle (DMV) | Telemoney | IBM - Mainframe |
| 395400130100018 | CA Dept of Motor Vehicle (DMV) | Telemoney | IBM - Mainframe |
| 395400130100017 | CA Dept of Motor Vehicle (DMV) | Telemoney | IBM - Mainframe |
| 395400130100016 | CA Dept of Motor Vehicle (DMV) | Telemoney | IBM - Mainframe |

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|---|---|---|---|
| | CA Dept of Motor Vehicle (DMV) | Telemoney | IBM - Mainframe |
| 395400130100014 | CA Dept of Motor Vehicle (DMV) | Telemoney | IBM - Mainframe |
| 395400130100013 | CA Dept of Motor Vehicle (DMV) | Telemoney | IBM - Mainframe |
| 395400130100012 | CA Dept of Motor Vehicle (DMV) | Telemoney | IBM - Mainframe |
| 395400130100011 | CA Dept of Motor Vehicle (DMV) | Telemoney | IBM - Mainframe |
| 395400130100010 | CA Dept of Motor Vehicle (DMV) | Telemoney | IBM - Mainframe |
| 395400130100009 | CA Dept of Motor Vehicle (DMV) | Telemoney | IBM - Mainframe |
| 395400130100008 | CA Dept of Motor Vehicle (DMV) | Telemoney | IBM - Mainframe |
| 395400130100007 | CA Dept of Motor Vehicle (DMV) | Telemoney | IBM - Mainframe |
| 395400130100006 | CA Dept of Motor Vehicle (DMV) | Telemoney | IBM - Mainframe |
| 395400130100005 | CA Dept of Motor Vehicle (DMV) | Telemoney | IBM - Mainframe |
| 395400130100004 | CA Dept of Motor Vehicle (DMV) | Telemoney | IBM - Mainframe |
| 395400130100003 | CA Dept of Motor Vehicle (DMV) | Telemoney | IBM - Mainframe |
| 395400130100002 | CA Dept of Motor Vehicle (DMV) | Telemoney | IBM - Mainframe |
| 395400130100001 | CA Dept of Motor Vehicle (DMV) | Telemoney | IBM - Mainframe |
| 395400130000010 | CA Dept of General Services Publication Dist | Visanet | 330 & 250 |
| 395400130000009 | CA Dept of General Services/Office of State Pub | Visanet | Cybercash |
| 395400130000008 | CA Dept of General Services/Fiscal | Visanet | POS Partner |
| 395400130000007 | CA Dept of General Services/Office of State Pub | Visanet | POS Partner |
| 395400130000006 | CA Dept of General Services/Surplus Properties | Visanet | 330 & 250 |
| 395400130000005 | CA Dept of General Services/Small Bus Cert & Re | Visanet | Cybercash |
| 395400130000004 | CA Dept of General Services/Surplus Properties | Visanet | 330 & 250 |
| 395400130000003 | CA Dept of General Services/Travel Conference | Visanet | 330 ? |
| 395400130000002 | CA Dept of General Services /Fleet Auction | Visanet | 380 & 250 |
| 395400130000001 | CA Dept of General Services/Parking | Visanet | 330 & 250 |
| 394400134200003 | CSU - Dominquez Hills | Visanet | Cybercash |
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| | (Used by NOVA Chatsworth) | | |
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| | DMV Internet Assoc # 001325 | | |
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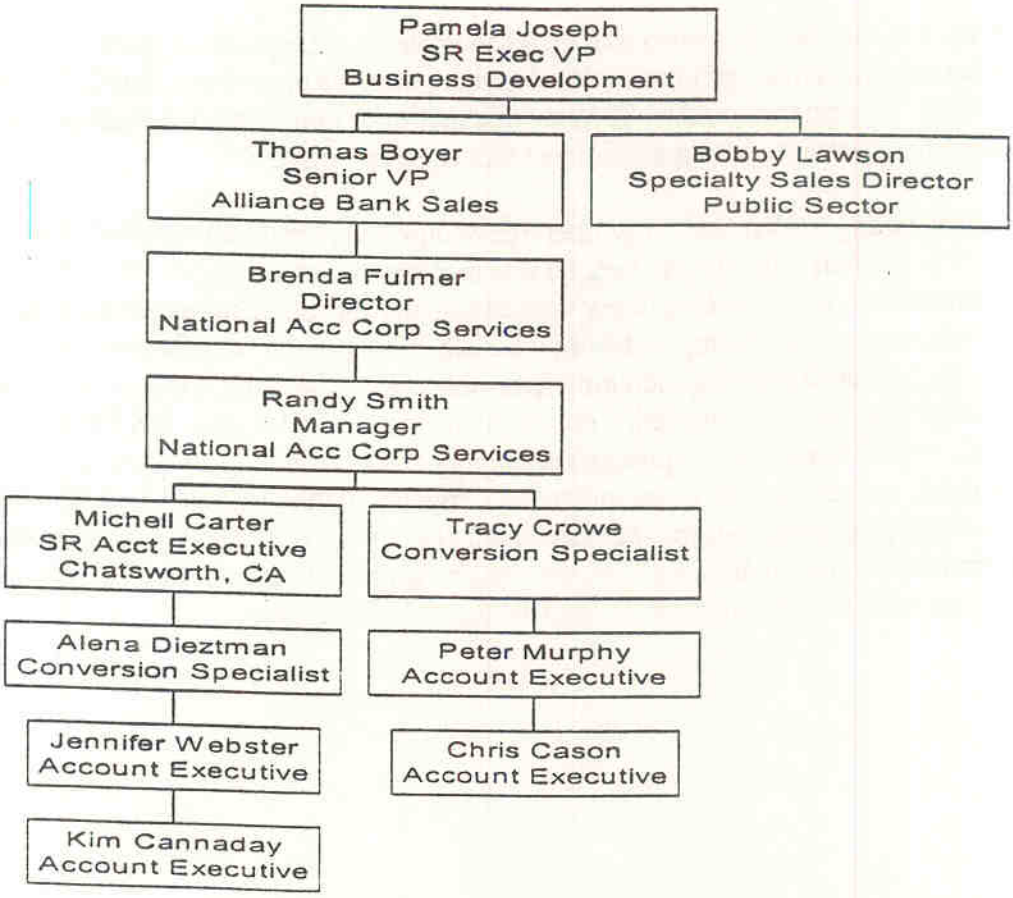
## Official Payments State of California Clients

Alameda Berkeley Municipal Court
Alameda County Social Services
Alameda County Treas/Tax Coll. Office
Alameda District Attorney
Alpine County
Alpine Superior Court
Amador County Municipal Court
Amador County Treasurer/Tax Collector
Bakersfield Municipal Court
Berkeley Municipal Court
Berkeley Municipal Court
CA Employment Development Dept.
Calaveras County Tax Collectors
California Board of Equalization
California Franchise Tax Board
City of Big Bear Lake
City of San Francisco
City/County of San Francisco
Coachella Valley Water District
Contra Costa County
Contra Costa County Court Collections
County of Kern
County of Sacramento, Division of Revenue Recovery
County of San Bernardino
Crown Colony Homeowner's Association
El Dorado Superior Court
Enforcement Technology Inc.
Fremont Municipal Court
Fresno County
Hayward Municipal Court
Humboldt County Superior & Municipal Court
Inyo County Treasurer/Tax Collectors Office
Kings County Consolidated Courts
Lassen County Tax Collectors Office
Los Angeles Dept. of Water & Power
Los Angeles Registrar of Voters
Marin County
Mendocino County
Mendocino County Court Collections
Modoc County Treasurer/Tax Collector Office
Monterey County Dept. of Child Support Services
Monterey Tax Collector
Moulton Niguel Water
Monterey Tax Collector
Moulton Niguel Water
Nevada County Treasurer
Oakland City Parking
Oakland Municipal Court
Olivenhain Municipal Water District
Orange County (Central) Judicial District
Orange County (South) Judicial District
Orange County (West) Judicial District
Orange County Social Services
Orange County Superior Court-Fam. Div.
Orange County Treasurer's Office
Placer County Municipal Court
Placer County Superior & Municipal Court
Pleasanton/Dublin Superior Court
Plumas County Consolidated Courts
Riverside County Courts
Sacramento County Property Tax
Sacramento Sheriff's Department
Sacramento Superior & Municipal Court
San Benito County Superior & Municipal Court
San Bernardino County
San Francisco Municipal Court
San Francisco Water Department
San Joaquin Superior Court
San Mateo Taxes
Santa Barbara Municipal Court
Santa Clara County
Shasta County Courts
Sierra County Tax Collector
Siskiyou County Superior Court
Solano County Courts
Sonoma County
Stanislaus County
Stanislaus County Family Support
Sutter County Municipal & Superior Courts
Tehama County Superior Court
Tehama County Tax Collector
Tulare County
Tuolumne County
Valley Center Municipal Water District
Ventura County

## NOVA Information Systems National Accounts Corporate Services Team

| | |
|---|---|
| Brenda Fulmer | Director |
| Randy Smith | Manager |
| Michelle Harrison-Carter | Senior Account Executive (Chatsworth, CA currently servicing the State of California merchant accounts) |
| Tracy Crowe | Conversion Specialist |
| Alena Dietzman | Conversion Specialist |
| PeterMurphy | Account Executive |
| Kim Cannaday | Account Executive |
| Jennifer Webster | Account Executive |
| Chris Carson | Account Executive |



**David Strider- Executive Vice President, Operations and Customer Support**

In his new role Mr. Strider will be responsible for operations, customer service, underwriting and conversion functions. He brings more than 24 years of senior management experience in financial services and electronic payment systems to NOVA. Mr. Strider previously worked at NOVA in the early 90's managing sales, marketing, product development and operations.

Before joining NOVA, Mr. Strider was Managing Director and CEO at InfiLink where he managed the company's automated Internet and Telephony lead generation and loan origination business. He spent 6 years with Bank One Corporation as President of Banc One POS Services Corporation and Chairman of Banc One Payment Services, LLC. His payment processing experience includes career paths at MasterCard International, National Data Corporation and First National Bank of Maryland. He has served on numerous Visa and MasterCard Advisory Committees. Mr. Strider holds a Bachelor of Science degree in Business Administration from Towson University.

**Erik J. Toivonen -Senior Vice President, Systems and Technology**

In his new role, Mr. Toivonen will be responsible for all aspects of systems and technology including application development, systems operations, and the NOVA network. He brings more than 20 years of experience in information management, electronic payment systems and project management to NOVA.

Before joining NOVA, Mr. Toivonen was Senior Vice President within Payment Services for U.S. Bancorp. In this position, he was responsible for management of the Corporate Payment Systems internet delivery application and for establishing the business architecture group. During his tenure with U.S. Bancorp, he was also responsible for Central Server Computing including data center operations and application development for payment systems. Prior to his employment with U.S. Bancorp, Mr. Toivonen spent 13 years with Citibank in a number of technology and information systems roles. While at Citibank he managed the development and implementation of a new international merchant processing system. Mr. Toivonen was also part of a select senior management team responsible for defining Citicorp's online banking strategy. Mr. Toivonen holds academic credentials from the Minnesota School of Business.

STATE OF CALIFORNIA

# PAYEE DATA RECORD

**(Required in lieu of IRS W-9 when doing business with the State of California)**

STD. 204 (REV. 2-99)

***NOTE: Governmental entities, federal, state, and local (including school districts) are not required to submit this form.***

SECTION 1 must be completed by the requesting state agency before forwarding to the payee

**1 PLEASE RETURN TO:**

DEPARTMENT/OFFICE: Department of General Services

STREET ADDRESS: 802 Q Street

CITY, STATE, ZIP CODE: Sacramento, CA 95814

TELEPHONE NUMBER: (916) 322-9017

**PURPOSE:** Information contained in this form will be used by state agencies to prepare information Returns (Form 1099) and for withholding on payments to nonresident payees. Prompt return of this fully completed form will prevent delays when processing payments.

***(See Privacy Statement on reverse)***

**2**

PAYEE'S BUSINESS NAME: NOVA INFORAMTION SYSTEMS, INC.

SOLE PROPRIETOR--ENTER OWNER'S FULL NAME HERE *(Last, First, M.I.)*

MAILING ADDRESS *(Number and Street or P. O. Box Number)*: ONE CONCOURSE PARKWAY, SUITE 300

*(City, State and Zip Code)*: ATLANTA, GEORGIA 30328

**3 PAYEE ENTITY TYPE**

CHECK ONE BOX ONLY

- ☐ **MEDICAL CORPORATION** *(Including dentistry, podiatry, psychotherapy, optometry, chiropractic, etc.)*
- ☐ **EXEMPT CORPORATION** *(Nonprofit)*
- ☑ **ALL OTHER CORPORATIONS**
- ☐ **PARTNERSHIP**
- ☐ **ESTATE OR TRUST**
- ☐ **INDIVIDUAL/SOLE PROPRIETOR**

**NOTE:** State and local governmental entities, including school districts are not required to submit this form.

**4 PAYEE'S TAXPAYER I.D. NUMBER**

**SOCIAL SECURITY NUMBER REQUIRED FOR INDIVIDUAL/SOLE PROPRIETOR BY AUTHORITY OF THE REVENUE AND TAXATION CODE SECTION 18646** *(See reverse)*

FEDERAL EMPLOYERS IDENTIFICATION NUMBER (FEIN): 58 - 1916822

IF PAYEE ENTITY TYPE IS A CORPORATION, PARTNERSHIP, ESTATE OR TRUST, ENTER FEIN.

SOCIAL SECURITY NUMBER: - -

IF PAYEE ENTITY TYPE IS INDIVIDUAL/SOLE PROPRIETOR, ENTER SSAN.

**NOTE:** Payment will not be processed without an accompanying taxpayer I.D. number.

**5 PAYEE RESIDENCY STATUS**

CHECK APPROPRIATE BOX(ES)

- ☐ California Resident - Qualified to do business in CA or a permanent place of business in CA
- ☐ Nonresident *(See Reverse)* Payments to nonresidents for services may be subject to state withholding
  - ☐ WAIVER OF STATE WITHHOLDING FROM FRANCHISE TAX BOARD ATTACHED
  - ☐ SERVICES PERFORMED OUTSIDE OF CALIFORNIA

**NOTE:**
**a.** An estate is a resident if decedent was a California resident at time of death.
**b.** A trust is a resident if at least one trustee is a California resident.
*(See reverse)*

**6 CERTIFYING SIGNATURE**

***I hereby certify under penalty of perjury that the information provided on this document is true and correct. If my residency status should change, I will promptly inform you.***

AUTHORIZED PAYEE REPRESENTATIVE'S NAME *(Type or Print)*: JOHN E. ELWOOD

TITLE: VICE PRESIDENT - TREASURER

SIGNATURE: John E. Elwood

DATE: 8/8/2001

TELEPHONE NUMBER: (770) 698-1035

204PRT FRP

## ARE YOU A RESIDENT OR A NONRESIDENT?

Each corporation, individual/sole proprietor, partnership, estate or trust doing business with the State of California must indicate their residency status along with their taxpayer identification number.

A **corporation** will be considered a "resident" if it has a permanent place of business in California. The corporation has a permanent place of business in California if it is organized and existing under the laws of this state or, if a foreign corporation has qualified to transact intrastate business. A corporation that has not qualified to transact intrastate business (e.g., a corporation engaged exclusively in interstate commerce) will be considered as having a permanent place of business in this state only if it maintains a permanent office in this state that is permanently staffed by its employees.

For **individuals/sole proprietors**, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose which will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.

For withholding purposes, a **partnership** is considered a resident partnership if it has a permanent place of business in California. An estate is considered a California estate if the decedent was a California resident at the time of death and a trust is considered a California trust if at least one trustee is a California resident.

More information on residency status can be obtained by calling the Franchise Tax Board at the numbers listed below:

From within the United States, call.....1-800-852-5711
From outside the United States, call.....1-916-845-6500
For hearing impaired with TDD, call....1-800-822-6268

## ARE YOU SUBJECT TO NONRESIDENT WITHHOLDING?

Payments made to nonresident payees, including corporations, individuals, partnerships, estates and trusts, are subject to withholding. Nonresident payees performing services in California or receiving rent, lease or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for state income taxes. However, no withholding is required if total payments to the payee are $1500 or less for the calendar year.

A nonresident payee may request that income taxes be withheld at a lower rate or waived by sending a completed form FTB 588 to the address below. A waiver will generally be granted when a payee has a history of filing California returns and making timely estimated payments. If the payee activity is carried on outside of California or partially outside of California, a waiver or reduced withholding rate may be granted. For more information, contact:

Franchise Tax Board
Nonresident Withholding Section
Attention: State Agency Withholding Coordinator
P.O. Box 651 Sacramento, CA 95812-0651
Telephone: (916) 845-4900
FAX: (916) 845-4831

**If a reduced rate of withholding or waiver has been authorized by the Franchise Tax Board, attach a copy to this form.**

## PRIVACY STATEMENT

Section 7(b) of the Privacy Act of 1974 (Public Law 93-5791) requires that any federal, state, or local governmental agency which requests an individual to disclose his social security account number shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it.

The State of California requires that all parties entering into business transactions that may lead to payment(s) from the State must provide their Taxpayer Identification Number (TIN) as required by the State Revenue and Taxation Code, Section 18646 to facilitate tax compliance enforcement activities and to facilitate the preparation of Form 1099 and other information returns as required by the Internal Revenue Code, Section 6109(a). The TIN for individual and sole proprietorships is the Social Security Number (SSN).

It is mandatory to furnish the information requested. Federal law requires that payments for which the requested information is not provided be subject to a 31% withholding and state law imposes noncompliance penalties of up to $20,000.

You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the state agency(ies) with which you transact that business.

Please call the Department of Finance, Fiscal Systems and Consulting Unit at (916) 324-0385 if you have any questions regarding this Privacy Statement. Questions related to residency or withholding should be referred to the telephone numbers listed above. All other questions should be referred to the requesting agency listed in Section 1.

STATE OF CALIFORNIA

# PAYEE DATA RECORD

**(Required in lieu of IRS W-9 when doing business with the State of California)**

STD. 204 (REV. 2-99)

***NOTE: Governmental entities, federal, state, and local (including school districts) are not required to submit this form.***

SECTION 1 must be completed by the requesting state agency before forwarding to the payee

**1 PLEASE RETURN TO:**

DEPARTMENT/OFFICE: Department of General Services

STREET ADDRESS: 802 Q Street

CITY, STATE, ZIP CODE: Sacramento, CA 95814

TELEPHONE NUMBER: (916) 322-9017

**PURPOSE:** Information contained in this form will be used by state agencies to prepare information Returns (Form 1099) and for withholding on payments to nonresident payees. Prompt return of this fully completed form will prevent delays when processing payments.

***(See Privacy Statement on reverse)***

**2**

PAYEE'S BUSINESS NAME: Official Payments Corp.

SOLE PROPRIETOR--ENTER OWNER'S FULL NAME HERE *(Last, First, M.I.)*

MAILING ADDRESS *(Number and Street or P. O. Box Number)*: Three Landmark Square

*(City, State and Zip Code)*: Stamford, CT 06901

**3 PAYEE ENTITY TYPE**

CHECK ONE BOX ONLY

- [ ] **MEDICAL CORPORATION** *(Including dentistry, podiatry, psychotherapy, optometry, chiropractic, etc.)*
- [ ] **EXEMPT CORPORATION** *(Nonprofit)*
- [X] **ALL OTHER CORPORATIONS**
- [ ] **PARTNERSHIP**
- [ ] **ESTATE OR TRUST**
- [ ] **INDIVIDUAL/SOLE PROPRIETOR**

**NOTE:** State and local governmental entities, including school districts are not required to submit this form.

**4 PAYEE'S TAXPAYER I.D. NUMBER**

**SOCIAL SECURITY NUMBER REQUIRED FOR INDIVIDUAL/SOLE PROPRIETOR BY AUTHORITY OF THE REVENUE AND TAXATION CODE SECTION 18646** *(See reverse)*

FEDERAL EMPLOYERS IDENTIFICATION NUMBER (FEIN): 52-2119078 1

IF PAYEE ENTITY TYPE IS A CORPORATION, PARTNERSHIP, ESTATE OR TRUST, ENTER FEIN.

SOCIAL SECURITY NUMBER: - -

IF PAYEE ENTITY TYPE IS INDIVIDUAL/SOLE PROPRIETOR, ENTER SSAN.

**NOTE:** Payment will not be processed without an accompanying taxpayer I.D. number.

**5 PAYEE RESIDENCY STATUS**

CHECK APPROPRIATE BOX(ES)

- [X] California Resident - Qualified to do business in CA or a permanent place of business in CA
- [ ] Nonresident *(See Reverse)* Payments to nonresidents for services may be subject to state withholding
  - [ ] WAIVER OF STATE WITHHOLDING FROM FRANCHISE TAX BOARD ATTACHED
  - [ ] SERVICES PERFORMED OUTSIDE OF CALIFORNIA

**NOTE:**
**a.** An estate is a resident if decedent was a California resident at time of death.
**b.** A trust is a resident if at least one trustee is a California resident.
*(See reverse)*

**6 CERTIFYING SIGNATURE**

***I hereby certify under penalty of perjury that the information provided on this document is true and correct. If my residency status should change, I will promptly inform you.***

AUTHORIZED PAYEE REPRESENTATIVE'S NAME *(Type or Print)*: Michael Barrett

TITLE: Chief Internet & Sales Officer

SIGNATURE: Michael Barrett

DATE: August 2, 2001

TELEPHONE NUMBER: 203-356-4200

## ARE YOU A RESIDENT OR A NONRESIDENT?

Each corporation, individual/sole proprietor, partnership, estate or trust doing business with the State of California must indicate their residency status along with their taxpayer identification number.

A **corporation** will be considered a "resident" if it has a permanent place of business in California. The corporation has a permanent place of business in California if it is organized and existing under the laws of this state or, if a foreign corporation has qualified to transact intrastate business. A corporation that has not qualified to transact intrastate business (e.g., a corporation engaged exclusively in interstate commerce) will be considered as having a permanent place of business in this state only if it maintains a permanent office in this state that is permanently staffed by its employees.

For **individuals/sole proprietors**, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose which will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.

For withholding purposes, a **partnership** is considered a resident partnership if it has a permanent place of business in California. An estate is considered a California estate if the decedent was a California resident at the time of death and a trust is considered a California trust if at least one trustee is a California resident.

More information on residency status can be obtained by calling the Franchise Tax Board at the numbers listed below:

From within the United States, call.....1-800-852-5711
From outside the United States, call.....1-916-845-6500
For hearing impaired with TDD, call....1-800-822-6268

## ARE YOU SUBJECT TO NONRESIDENT WITHHOLDING?

Payments made to nonresident payees, including corporations, individuals, partnerships, estates and trusts, are subject to withholding. Nonresident payees performing services in California or receiving rent, lease or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for state income taxes. However, no withholding is required if total payments to the payee are $1500 or less for the calendar year.

A nonresident payee may request that income taxes be withheld at a lower rate or waived by sending a completed form FTB 588 to the address below. A waiver will generally be granted when a payee has a history of filing California returns and making timely estimated payments. If the payee activity is carried on outside of California or partially outside of California, a waiver or reduced withholding rate may be granted. For more information, contact:

Franchise Tax Board
Nonresident Withholding Section
Attention: State Agency Withholding Coordinator
P.O. Box 651 Sacramento, CA 95812-0651
Telephone: (916) 845-4900
FAX: (916) 845-4831

**If a reduced rate of withholding or waiver has been authorized by the Franchise Tax Board, attach a copy to this form.**

## PRIVACY STATEMENT

Section 7(b) of the Privacy Act of 1974 (Public Law 93-5791) requires that any federal, state, or local governmental agency which requests an individual to disclose his social security account number shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it.

The State of California requires that all parties entering into business transactions that may lead to payment(s) from the State must provide their Taxpayer Identification Number (TIN) as required by the State Revenue and Taxation Code, Section 18646 to facilitate tax compliance enforcement activities and to facilitate the preparation of Form 1099 and other information returns as required by the Internal Revenue Code, Section 6109(a). The TIN for individual and sole proprietorships is the Social Security Number (SSN).

It is mandatory to furnish the information requested. Federal law requires that payments for which the requested information is not provided be subject to a 31% withholding and state law imposes noncompliance penalties of up to $20,000.

You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the state agency(ies) with which you transact that business.

Please call the Department of Finance, Fiscal Systems and Consulting Unit at (916) 324-0385 if you have any questions regarding this Privacy Statement. Questions related to residency or withholding should be referred to the telephone numbers listed above. All other questions should be referred to the requesting agency listed in Section 1.

CCC201

## CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

| Contractor/Bidder Firm Name (Printed) | Federal ID Number |
|---|---|
| NOVA, Information Systems, Inc. | 58-1916822 |
| By (Authorized Signature) | |
| | |
| Printed Name and Title of Person Signing | |
| John Elwood, Vice President | |
| Date Executed | Executed in the County of |
| August 6, 2001 | Fulton |

## CONTRACTOR CERTIFICATION CLAUSES

1. STATEMENT OF COMPLIANCE: Contractor has, unless exempted, complied with the nondiscrimination program requirements. (GC 12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)

2. DRUG-FREE WORKPLACE REQUIREMENTS: Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

1) the dangers of drug abuse in the workplace;

2) the person's or organization's policy of maintaining a drug-free workplace;
3) any available counseling, rehabilitation and employee assistance programs; and,
4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

1) receive a copy of the company's drug-free workplace policy statement; and,

2) agree to abide by the terms of the company's statement as a condition of employment on theAgreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or

termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: (1) the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (GC 8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court which orders Contractor to comply with an order of the National Labor Relations Board. (PCC 10296) (Not applicable to public entities.)

4. UNION ORGANIZING Contractor hereby certifies that no request for reimbursement, or payment under this agreement, will seek reimbursement for costs incurred to assist, promote or deter union organizing.

## DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (PCC 10410):

1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.

2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (PCC 10411):

1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (PCC 10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (PCC 10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other government entity.

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| *Contractor/Bidder Firm Name (Printed)* | *Federal ID Number* |
|---|---|
| Official Payments Corp. | 52-2190781 |
| *By (Authorized Signature)* Michael Barrett | |
| *Printed Name and Title of Person Signing* Michael Barrett - Chief Internet & Sales Officer | |
| *Date Executed* August 2, 2001 | *Executed in the County of* Fairfield, State of CT |

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EXHIBIT G

NOVA INFORMATION SYSTEMS
9301 Oakdale Avenue Suite 305
Chatsworth, CA 91311
(818) 734-2943
(818) 727-1070 FAX

MERCHANT NO. 395400134200001
CONTRACT NO.

DATE: 06/08/2001

CSU DOMINGUEZ HILLS
ACCOUNTING SERVICES
ATTN: MICHELLE PRESCOTT
1000 E VICTORIA ST
CARSON, CA 90747

## BILLING INVOICE
MONTH OF MAY 2001

| | |
|---|---|
| DISCOUNT FEES: | $9,952.31 |
| EQUIPMENT FEES: | $144.00 |
| T & E FEE: | $9.59 |
| ONLINE REPORTING: | $0.00 |
| **TOTAL AMOUNT DUE:** | **$10,105.90** |

PLEASE MAKE CHECK PAYABLE TO AMERICAN HERITAGE BANKCARD

MAILING ADDRESS: AMERICAN HERITAGE BANKCARD
9301 OAKDALE AVENUE SUITE 305
CHATSWORTH, CA 91311

ATTENTION: MICHELLE HARRISON-CARTER

PLEASE RETURN A COPY OF THIS INVOICE WITH YOUR PAYMENT

AFTER 50 DAYS, THE STATE SHALL ADHERE TO THE PROVISION OF GOVERNMENT CODE SECTION 926.17 (PROMPT PAYMENT ACT) IN MAKING THESE REMITTANCES.

# Exhibit I

# 800-2PAY-TAX

## Convenience Fee Schedule -

## Non-Tax Payments Only – Tier 67

### I - Schedule of Convenience Fees to be Paid by Citizens

| Payment Amount | | Fees |
|---|---|---|
| From | To | |
| $0.00 | $99.99 | $3.00 |
| $100.00 | $199.99 | $6.00 |
| $200.00 | $399.99 | $11.00 |
| $400.00 | $599.99 | $16.00 |
| $600.00 | $999.99 | $25.00 |
| $1,000.00 | $1,399.99 | $35.00 |
| $1,400.00 | $1,999.99 | $49.00 |
| $2,000.00 | $2,699.99 | $68.00 |
| $2,700.00 | $3,499.99 | $87.00 |
| $3,500.00 | $4,399.99 | $109.00 |
| $4,400.00 | $5,399.99 | $133.00 |
| $5,400.00 | $6,399.99 | $159.00 |
| $6,400.00 | $7,399.99 | $187.00 |
| $7,400.00 | $8,699.99 | $218.00 |
| $8,700.00 | $10,399.99 | $262.00 |
| $10,400.00 | $12,999.99 | $329.00 |
| $13,000.00 | $17,399.99 | $437.00 |
| $17,400.00 | $20,999.99 | $525.00 |
| $21,000.00 | $27,999.99 | $699.00 |
| $28,000.00 | $35,999.99 | $899.00 |
| $36,000.00 | $44,999.99 | $1,125.00 |
| $45,000.00 | $54,999.99 | $1,375.00 |
| $55,000.00 | $65,999.99 | $1,649.00 |
| $66,000.00 | $76,999.99 | $1,925.00 |
| $77,000.00 | $87,999.99 | $2,199.00 |
| $88,000.00 | $99,999.99 | $2,499.00 |

### II – Other Fees Payable by Agency

None

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