



January 2008

Re: Transition to PCI PED

As you probably know, PCI PED guidelines state that organizations should only purchase PCI PED approved PIN-entry devices after 12/31/07. Deploying PCI PED-approved devices will help merchants, acquirers and issuers “stay ahead” of evolving fraud technology. The Phoenix Group is committed to the reduction of payment card fraud, and has been working to maintain industry compliance for many years to help improve payment industry security.

The Phoenix Group strongly recommends and can assist with transitioning 100% of product forecasting to the comprehensive line of PCI PED approved terminals & PIN pads through-out 2008. However, we recognize that unique circumstances may exist where VISA PED, non-PCI compliant, product must be purchased into 2008. To address the varying needs of our customers, we have elected the following approach:

Post 12/31/2007

We will require that your organization sign the attached acknowledgement form indicating that The Phoenix Group has informed you of the non-PCI status of the product requested and is not liable for any associated risk of products purchased after 12/31/07. All orders placed for non-compliant terminals and pin pads after 12/31/07 will be reviewed to ensure that the proper paperwork is in place.

If you have any questions, and for aid in making this transition, please contact your Phoenix Group account manager.

Sincerely,

Scott Rutledge
866-559-7627

Attachment: Non-PCI Compliant Acknowledgement Form



Non-PCI Compliant Acknowledgement Form

Security approvals for Visa PED-approved PIN entry devices expired on December 31, 2007. Following that date, card association rules mandate that all PIN entry devices purchased for new deployments be approved based on the more strict PCI PED requirements.

Deploying PCI PED-approved devices will help merchants, acquirers and issuers “stay ahead” of evolving fraud technology. The Phoenix Group is committed to the reduction of payment card fraud, and has been working to maintain industry compliance for many years to help improve payment industry security.

The Phoenix Group currently offers a large number of PCI PED-approved products. These products cover virtually all payment environments and all communications methods. In most aspects, these products are direct replacements of their Visa PED counterparts, with no need for customers to continue purchase of Visa PED products.

However, we recognize that in some cases there may be a need to continue the purchase of Visa PED configurations. In these cases, a formal non-PCI acknowledgement is required. Please list desired products below, then sign and return.

You acknowledge by signing below that The Phoenix Group will not be liable to you or any other party for any direct or indirect loss, damages or costs arising out of The Phoenix Group providing you with the non PCI PED approved products which you have requested. In addition, you will indemnify The Phoenix Group from any loss, damage or costs which may arise out of any third-party's claim relating to The Phoenix Group's provision of non PCI PED approved products:



Non-PCI Compliant Acknowledgement Form

| UNIT NAME | UNIT PART NUMBER |
|--------------------------------|-------------------------|
| OMNI 3750 DIAL | M197-510-14-US1 |
| OMNI 3750 DUAL COM 4 MEG | M197-550-14-US1 |
| OMNI 3750 DUAL COM 6 MEG | M197-550-16-US1 |
| OMNI 3740 DIAL | M197-410-14-US1 |
| OMNI 3740 DUAL COM | M197-450-14-US1 |
| OMNI 3730 | M251-000-03-NA1 |
| OMNI 3730LE | M251-000-03-NA2 |
| VX610 CDMA | M256-543-06-US1 |
| VX610 CDMA ACTIVATED | M256-543-06-US3 |
| VX610 CDMA SPRINT | M256-543-06-US2 |
| VX610 GPRS | M256-533-06-US1 |
| VX610 WIFI | M256-513-06-US1 |
| 8320 | 8320-US-M11-GRY |
| 8320L | 8320-US-M02-GRY |
| 8320SC | 8320-US-M12-GRY |
| 8320 ETHERNET | 8320-US-M43-GRY |
| 8320U | 8320-US-M13-GRY |
| T7PLUS 19 KEY INTERNAL PIN PAD | 010282-003 |
| T7PLUS 35 KEY INTERNAL PIN PAD | 010283-048 |
| T4100 | 010236-036 |
| T4100 WITH SMART CARD | 010236-028 |
| S9 | 010228-001 |
| S9 WITH RETAIL TIP | 010228-220 |
| S9 W/ SMART CARD | 010228-029 |
| S9 SC W/ CARD SWIPE | 010228-006 |
| S9 W/ CARD SWIPE | 010228-005 |
| S9 W/ 15FT CABLE | 010228-010 |
| WAY SYSTEMS MTT1556 | |
| NURIT PIN PAD 222 | 0222US11B00 |

Company: _____

Name: _____ Title: _____

Signature: _____ Date: _____