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January 23, 1991

Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

AOR 1991-01

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RECEIVED
FEDERAL ELECTION COMMISSION

Re: Request for Advisory Opinion

Dear Mr. Noble:

On behalf of the Deloitte & Touche Federal Political Action Committee (the "PAC"), we are hereby requesting an advisory opinion from the Federal Election Commission. Specifically, as set forth below, the PAC requests an opinion from the Commission as to the permissibility under the Federal Election Campaign Act of 1971, as amended (the "Act" or "FECA"), 2 U.S.C. § 431 et seq., of a proposal to solicit advance authorization of periodic credit card contributions to the PAC from employees of Deloitte & Touche.

Deloitte & Touche was formed in December 1989, upon the merger of the accounting firms of Deloitte, Haskins & Sells and Touche Ross. Deloitte & Touche is a general partnership providing comprehensive accounting and auditing, tax, consulting, and other professional services throughout the United States. Prior to the merger, the employees of each Firm had established Federal political committees registered with the Federal Election Commission. These committees were the Deloitte, Haskins & Sells Good Government PAC, and the Touche Ross Partners Political Action Committee. Because both Firms were partnerships, the committees were not separate segregated funds, but rather, were nonconnected multi-candidate committees. Since the date of the merger, the two committees were treated as affiliated within the meaning of 11 C.F.R. § 100.5(g)(2). The name of the Touche Ross Partners' committee has been changed to the Deloitte & Touche Federal Political Action Committee, and the Deloitte, Haskins & Sells committee has been terminated.

Deloitte & Touche has approximately 150 offices in the United States with approximately 1,700 partners nationwide and 20,000 employees. All costs incurred in connection with the

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administration and solicitation of contributions to the PAC are defrayed from the contributions received by the PAC.

Pursuant to FEC Advisory Opinion No. 1978-68, in which the Commission held that political committees may accept credit card contributions, the PAC has become an American Express "establishment" for the purposes of accepting credit card contributions. Under the American Express agreement, the PAC is an establishment under the American Express mail order system. The agreement between American Express and the PAC is identical to those between American Express and other nonpolitical establishments, and the PAC is responsible for paying all service charges and other applicable fees. No charges, fees or other costs related to the solicitation or agreement with American Express will be borne by Deloitte & Touche.

The PAC proposes to send an annual solicitation to all Deloitte & Touche partners requesting that they make a contribution to the PAC by charging it to their American Express card. The solicitation will suggest a guideline and will comply in all respects with the Commission's regulations concerning guidelines and notices for solicitations contained in 11 C.F.R. §§110.11 and 114.5(a).^{1/} The solicitation will include a return card which each individual will be asked to complete, sign and return authorizing an annual charge to his or her American Express card in December of each year in a specific amount. The authorization will remain effective until revoked in writing by the contributor. The authorization may be revoked by the contributor at any time. Any contributor who wishes his or her contribution to be charged to his or her account on a monthly, rather than annual basis, will be permitted to so elect. The PAC will maintain all records required by the Commission's regulations and will comply with all applicable reporting and aggregation requirements for these credit card contributions.

Since the solicitation and authorization by the contributor may occur some time prior to the actual charge to the individual's American Express account in December of each year, the PAC is willing to provide individuals with a written reminder of the amount of their contribution, prior to charging those contributions to their accounts. Further, the PAC will refund to American Express (and thus to the individual contributor) any contribution charged to an individual's account which the individual repudiates or refuses to pay, even if a written authorization is still

^{1/} Since the PAC is not a separate segregated fund, it is not required to comply with the provisions of 11 C.F.R. § 114.5, but will do so nonetheless.

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in effect. These measures will insure that contributors who have signed authorizations will be fully aware of the charge of the contribution to their account, and that no involuntary contribution will be made inadvertently.

In addition, the PAC may notify Deloitte & Touche employees below the partner level of the existence of the PAC and of the opportunity to contribute through use of the American Express card. This notification to non-partner employees would probably be made in the Deloitte & Touche PAC newsletter, and not by specific solicitation letter. As with the specific written solicitation to partners, the notice in the newsletter would comply with the requirements of 11 C.F.R. §§110.11 and 114.5(a).

The PAC will accept contributions only from those employees who are United States citizens and will accept only individual contributions from personal funds.^{2/} Deloitte & Touche partners are entitled to obtain an American Express card imprinted with the name Deloitte & Touche through a separate arrangement between Deloitte & Touche and American Express. These are individual and not Firm accounts, although the cards are imprinted with both the individual's name and that of the Firm (for identification purposes only). Deloitte & Touche is not responsible in any way for bills charged to these accounts, and American Express has no recourse to Deloitte & Touche for any late or unpaid balances.^{3/} Individuals who choose to do so may utilize these American Express cards to make their contributions to the PAC or may utilize any other American Express account which they may maintain.

We believe that this plan to solicit credit card contributions complies in every respect with the guidance previously set forth by the Commission in this area. First, the Commission has specifically stated that the Act permits political committees to accept contributions made by credit card. See AO 1978-68. As in the situations addressed in this and subsequent advisory opinions, the agreement between the PAC and American Express will comply in

^{2/} Deloitte & Touche does not have any partners who are individually incorporated.

^{3/} Individuals must use funds from their own personal accounts to pay these American Express bills. They may not pay these bills by drawing on any partnership account or undistributed partnership funds. Therefore, although Deloitte & Touche itself is a government contractor, there is no way that partnership funds or funds commingled with partnership funds can be used to make contributions to the Deloitte & Touche PAC by virtue of the use of these American Express cards.

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all respects with the American Express usual and normal practice and will not result in any prohibited corporate contribution to the PAC.

Second, the Commission has, with respect to other similar types of financial transactions, found that the prior authorization of periodic contributions is permissible under the Act, and may remain in effect until such authorization is revoked by the contributor. Thus, the Commission has found contributions by automatic withdrawal from bank accounts permissible (see AO 1989-26), and has specifically stated that the Act permits payroll deductions, including payroll deductions for partnership contributions, provided that the costs of the payroll deduction are not borne by the partnership. See AOs 1978-23 and 1982-63.

We believe that the proposal contained herein is a logical extension of principles previously espoused by the Commission relating to credit card contributions (AO 1978-68) and contributions by automatic withdrawal from bank accounts (AO 1989-26). Since the safeguards in this request, such as the ability of the contributor to revoke the authorization at any time and the agreement to pay American Express at the usual and normal charge, are virtually identical to those set forth by the Commission in AO 1989-26, the proposed activity will comply in all respects with the Act and regulations. Based on the foregoing analysis, we request that the Commission issue an opinion that nothing in the Act or regulations prohibits the PAC from accepting a written authorization from a contributor to charge a PAC contribution to his or her American Express account on a periodic basis, until such time as the contributor withdraws that authorization.

For your information, we have enclosed a copy of the establishment agreement between the Deloitte & Touche PAC and American Express, and a copy of the agreement between Corporate Cardmembers and American Express regarding corporate cards. If you have any further questions concerning this request or if you require additional information, please contact me at 463-4300.

Sincerely,



Lyn Utrecht
Manatt, Phelps & Phillips

Attachments



**Independent and Chain
Direct Marketing
Establishment Agreement**

OGC No. See following
legible copy.

American Express
Travel Related Services Company, Inc
American Express Tower
World Financial Center
New York, New York 10285

Account Number 408 670 6256 Date 1-9-90

Name of Company DELITTE & TOUCHE Doing Business As FEDERAL POLITICAL ACTION

Street Address 1001 PENNSYLVANIA Phone (202) 638-3850

Chain Affiliation COMMITTEE Char. Number 0231

City-State-Zip WASHINGTON, DC 20036-8171

Representative's Name and Number LESLIE J. SEWARD 0231

I. GENERAL DEFINITIONS

This Agreement covers your participation in the American Express® Card Service for all your establishments in the United States the S Virgin Islands Puerto Rico and Canada If superseded by any previous agreement you have covering the American Express Card Service (the Card Service) As you read this Agreement please note the words you and your mean the establishment that signs this Agreement The words we our and us refer to American Express Travel Related Services Company Inc and its affiliates subsidiaries and licensees which issue Cards or participate in the Card Service For the purposes of this Agreement a charge or credit card issued by us bearing the name and logo of American Express is called the Card the person whose name is embossed on the face of the Card is the Cardmember and all amounts of purchases made with the Card which amounts are payable by Cardmembers to us are called Charges This Agreement covers your participation in the American Express Card Service with respect to mail order and or telephone order Charges only In the event that any of your establishments service retail walk-in customers you must enter into a separate addendum covering such Charges

If all the provisions of this Agreement and all of our procedures and rules are satisfied each time a Cardmember makes a purchase with the Card at any of your establishments we will accept Charges made at your establishment(s) without Full Recourse Full Recourse shall mean that we are entitled to reimbursement from you of the amount of the Charge in question to the extent of any payment made by Amex to you and we can offset such amount by deducting it from amounts due to you for Charges or we can bill you for it We will have Full Recourse for any Charges as to which you have not complied with all the rules procedures or conditions stated in this Agreement even if we had notice when we paid you that you did not follow them We also will have other rights to Full Recourse as specified in this Agreement Where we have the right to Full Recourse we may delay asserting this right during any period in which we or you are attempting to resolve a dispute

II. CARD ACCEPTANCE PROCEDURES

Mail Order Charges

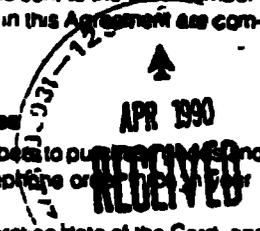
You agree to permit Cardmembers to purchase goods and services with the Card by mail order through your establishments only if

- you have obtained an order form with the signature of the Cardmember (the Card cannot be used by anyone but the Cardmember)
- you have obtained the expiration date of the Card and the Cardmember's complete account number
- you have verified that the purchase is being made on or after the beginning date of the Card and no later than the expiration date of the Card
- before sending the order to the Cardmember you have not been notified through our Cancellation Bulletin or otherwise that the Card has been cancelled
- you have received an Overlimit Authorization approval code number if necessary at the time the order is made and if the order is sent two (2) months or more thereafter again at the time the order is sent to the Cardmember
- all other relevant provisions in this Agreement are complied with

Telephone Order Charges

You agree to permit Cardmembers to purchase goods and services with the Card by telephone order through your establishments only if

- you have obtained the expiration date of the Card and the Cardmember's complete account number
- you have verified that the purchase is being made on or after the beginning date of the Card and no later than the expiration date of the Card
- before sending the order to the Cardmember you have not been notified through our Cancellation Bulletin or otherwise that the Card has been cancelled
- you have received an Overlimit Authorization approval code number if necessary at the time the order is made and if the order is sent two (2) months or more thereafter again at the time the order is sent out or delivered to the Cardmember



all other relevant provisions in this Agreement are complied with

All Charges

You agree to comply with such other reasonable operating instructions and procedures as we may issue from time to time

You agree to make every effort to avoid acceptance of fraudulent Cards and submission to us of unauthorized Charges. Should Charges made with fraudulent Cards and/or unauthorized Charges exceed three tenths of one percent (30%) of your Card sales in any consecutive twelve (12) month period you agree to execute an addendum to this Agreement whereby fraud training of your personnel will be conducted and other anti fraud measures will be instituted

When a Cardmember makes or requests to make a purchase with the Card you will not extend or offer to extend credit or charge services to the Cardmember through your own or any other credit debt or charge card or service

You represent and warrant that you have performed or will perform all obligations connected with or arising from a Charge submitted to us that all indebtedness arising from Charges submitted to us is genuine and results from a bona fide sale of goods or services to a Cardmember (other than your offices employees or their family members) that the amount shown on each Charge Record Form represents the full and true value of goods or services sold to such Cardmember

III. OVERLIMIT AUTHORIZATION

For the purposes of this Agreement Overlimit Authorization of a Charge means only that we have approved the amount of the Charge to a Cardmember's account. You must still comply with all provisions of this Agreement particularly all those requirements in the preceding Section entitled Card Acceptance Procedures. If you do not comply we have the right of Full Recourse for the Charges involved even if you obtained Overlimit Authorization or other authorization from us

Before you allow a Cardmember to make a Charge for more than seventy five dollars (\$75) in one day (Overlimit Charges) or whatever floor limit we establish and before sending the order to the Cardmember you must call us for an Overlimit Authorization. We have the right to change your floor limit if we do and will notify you in writing of your new floor limit and the date it takes effect. In the event the Cardmember's order is not sent to the Cardmember until two (2) months or more after your receipt of the order you agree to obtain a second Overlimit Authorization at the time the purchase is sent to the Cardmember

You can call us toll free for Overlimit Authorization at the designated service center or centers. We will make sure that at least one authorization center in Continental North America is open to receive your calls twenty-four (24) hours a day seven (7) days a week

We will have Full Recourse for any Overlimit Charge for which Overlimit Authorization is not properly requested or obtained or for which Overlimit Authorization is requested and refused or for which no Overlimit Authorization approval code is given

with the use of your electronic point of sale authorization system which is acceptable to us. You may obtain Overlimit Authorization through your electronic point of sale system in accordance with our specifications and instructions pursuant to a separate written agreement with us. If you choose to utilize the services of a third party processor to obtain authorization electronically such processor must be acceptable to us. You agree to notify promptly your American Express Sales Representative in the event you obtain either an electronic point of sale authorization system or the capability to receive authorizations electronically

IV. CHARGE RECORD FORMS

You agree to follow our standard operating procedures for completing our Charge Record Forms for each Cardmember purchase. You further agree to send us completed Charge Record Forms at or after the time you send out the goods or services purchased by a Cardmember to the Cardmember. We will have Full Recourse for any Charges for which you have sent us the Charge Record Form but which have not been sent to the Cardmember the goods or services included on such Charge Record Form. If the goods or services are sent out for a free trial period you will send us the Charge Record Form only when the trial period ends. Each Charge Record Form must contain:

1. The Cardmember's name and account number and the expiration date of the Card
2. The date of the Charge(s)
3. The Overlimit authorization approval code(s) if necessary
4. The amount of the Charge including applicable taxes if any
5. Your establishment identification. This must include your name, city, state and American Express service establishment number
6. The credit Memo number or telephone Order or appropriate in the name of the Cardmember's signature
7. All other information that is requested on the Charge Record Form or that may be requested from time to time by us

All information must be filled in legibly

You must keep your mail order form with the Cardmember's signature for at least twenty five (25) months after you bill the order. If we request you agree to send us a copy of the order form within fifteen (15) days of our request. If we do not receive a copy of the order within fifteen (15) days we will have Full Recourse for the amount of the Charge

We shall assign to each of your establishments a unique service establishment number. All Charges from each establishment shall be submitted according to its establishment number

In the event you wish to use any charge form other than our Charge Record Form you must obtain our prior written approval

V. PROCESSING CREDITS

You may establish your own policy with respect to credits for returned merchandise or services and you agree to notify Cardmembers of your policy prior to any Card purchase. You agree that you will maintain and enforce a policy for purchases made with the Card that is at least as

Information in this section is provided to you with certain limitations. It is not intended to constitute an offer of insurance or any other financial product. It is not intended to constitute an offer of insurance or any other financial product. It is not intended to constitute an offer of insurance or any other financial product.

You agree not to give cash advance, credit card charges

VI. SUBMISSION OF CHARGES. OUR PAYMENTS TO YOU

You agree to send us Summary of Charge Record Forms for each of your establishments at least once each week showing the total of all Charges for purchases sent to Cardmembers that week plus our copy of all Charge Record Forms. You agree not to include more than one hundred (100) Charge Record Forms in each Summary. If you do not send us Charge Record Forms within ten (10) days from the date the goods or services are sent to the Cardmember or within ten (10) days after any free trial period ends, as applicable, we will not be obligated to accept those Charges and we will not be responsible to do accept such Charges. You agree to prepare the Summary of Charge Record Form according to the instructions we provide and to send it to the office we designate. If you own or operate more than one establishment, you must submit Charges to us separated by establishment number.

We shall accept Cardmembers' Charges from you at a discount equal to the total face amount less our discount as explained below. You shall transmit these Charges directly to us and shall not bill any Cardmembers for purchases made with the Card. You shall be responsible for any of our Cardmembers' Charges you provide to us and it over to us and mail it to us immediately.

VII. PAYMENT PLANS

You may choose the payment plan that is best for you — a Basic Payment Plan, an Economy Payment Plan or an Extended Payment Plan. Your discount rate depends in part on the payment plan you choose, so be sure to read these options carefully. Indicate your choice by checking the box on the signature page next to the plan you want before signing this agreement.

Here is how the Plans work:

- **Basic Payment Plan:** If we receive your Summary of Charge Record Form before the close of any business day, our payment to you for all Charges on the Summary submitted in accordance with this Agreement will be mailed within three (3) business days after we receive it. For example, payments for Charges we receive before the close of business on Monday will be mailed to you on Thursday. Payment for Charges we receive before the close of business on Thursday will be mailed to you on Tuesday.
- **Economy Payment Plan:** We will mail payment to you for all Charges on your Summary of Charge Record Form

... (faint text) ...

VIII. DISCOUNT RATE

The discount rate is based on the Net Annual Volume of Charges we have received from you during the calendar year. The Net Annual Volume of Charges is the total of all Cardmembers' Charges for all establishments during the previous calendar year less any credits you issued or amounts for which we failed to bill you for payment. For the purposes of this Agreement, the date we accept a Charge is the business day we receive it at the office we have designated for the receipt of Charges from you.

The discount rate is based on the Net Annual Volume of Charges we have received from you during the calendar year. The discount rate will be adjusted quarterly. The calendar year runs from January 1 through December 31. You must be a participant in the Card Service program for at least one (1) month in the calendar year in order to be eligible for the discount rate. The discount rate will be adjusted quarterly.

If you own and operate more than one establishment, your discount rate will be based on the total Net Annual Volume of Charges from all establishments combined.

As of January 1st of each calendar year, your discount rate will be based on the Card Service program your discount rate will be.

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... (faint text) ...

Net Annual Volume	Basic Payment Plan	Economy Payment Plan	Extended Payment Plan
\$0-\$50,000	4.5%	4.0%	4.0%
\$50,000-\$100,000	4.4%	4.1%	4.0%
\$100,000-\$250,000	4.3%	4.2%	4.0%
\$250,000-\$500,000	4.2%	4.3%	4.0%
\$500,000-\$750,000	4.1%	4.4%	4.0%
\$750,000-\$1,000,000	4.0%	4.5%	4.0%
\$1,000,000-\$1,500,000	3.9%	4.6%	4.0%
\$1,500,000-\$2,000,000	3.8%	4.7%	4.0%
\$2,000,000-\$3,000,000	3.7%	4.8%	4.0%
\$3,000,000-\$4,500,000	3.6%	4.9%	4.0%
\$4,500,000-\$6,000,000	3.5%	5.0%	4.0%
\$6,000,000-\$10,000,000	3.4%	5.1%	4.0%
\$10,000,000-\$20,000,000	3.2%	5.0%	4.0%
\$20,000,000 and over	3.0%	4.7%	4.0%



**Independent and Chain
Direct Marketing
Establishment Agreement**

American Express
Travel Related Services Company, Inc
American Express Tower
World Financial Center
New York, New York 10285

OGC Note: This is readable blank form Agreement that corresponds to illegible signed copy.

Account Number _____ Date _____
 Name of Company _____ Doing Business As _____
 Street Address _____ Phone () _____
 Chain Affiliation _____ Chain Number _____
 City-State-Zip _____
 Representative's Name and Number _____

I. GENERAL DEFINITIONS

This Agreement covers your participation in the American Express® Card Service for all your establishments in the United States, the U S Virgin Islands, Puerto Rico and Canada. It supersedes any previous agreement you have covering the American Express Card Service (the "Card Service"). As you read this Agreement, please note the words you and your mean the establishment that signs this Agreement. The words we, our and us refer to American Express Travel Related Services Company, Inc and its affiliates, subsidiaries and licensees which issue Cards or participate in the Card Service. For the purposes of this Agreement, a charge or credit card issued by us bearing the name and logo of American Express is called the Card, the person whose name is embossed on the face of the Card is the Cardmember, and all amounts of purchases made with the Card, which amounts are payable by Cardmembers to us, are called Charges. This Agreement covers your participation in the American Express Card Service with respect to mail order and/or telephone order Charges only. In the event that any of your establishments service retail, walk-in, customers, you must enter into a separate addendum covering such Charges.

If all the provisions of this Agreement and all of our procedures and rules are satisfied each time a Cardmember makes a purchase with the Card at any of your establishments, we will accept Charges made at your establishment(s) without Full Recourse. Full Recourse shall mean that we are entitled to reimbursement from you of the amount of the Charge in question to the extent of any payment made by Amex to you and we can offset such amount by deducting it from amounts due to you for Charges or we can bill you for it. We will have Full Recourse for any Charges as to which you have not complied with all the rules, procedures, or conditions stated in this Agreement, even if we had notice when we paid you that you did not follow them. We also will have other rights to Full Recourse as specified in this Agreement. Where we have the right to Full Recourse, we may delay asserting this right during any period in which we or you are attempting to resolve a dispute.

II. CARD ACCEPTANCE PROCEDURES

- - Mail Order Charges - -

- You agree to permit Cardmembers to purchase goods and services with the Card by mail order through your establishment(s) only if
- a you have obtained an order form with the signature of the Cardmember (the Card cannot be used by anyone but the Cardmember);
 - b you have obtained the expiration date of the Card, and the Cardmember's complete account number;
 - c you have verified that the purchase is being made on or after the beginning date of the Card and no later than the expiration date of the Card;
 - d before sending the order to the Cardmember, you have not been notified, through our Cancellation Bulletin or otherwise, that the Card has been cancelled;
 - e you have received an Overlimit Authorization approval code number, if necessary, at the time the order is made and, if the order is sent two (2) months or more thereafter, again at the time the order is sent to the Cardmember
 - f all other relevant provisions in this Agreement are complied with

Telephone Order Charges

- You agree to permit Cardmembers to purchase goods and services with the Card by telephone order through your establishment(s) only if
- a you have obtained the expiration date of the Card, and the Cardmember's complete account number;
 - b you have verified that the purchase is being made on or after the beginning date of the Card and no later than the expiration date of the Card;
 - c before sending the order to the Cardmember, you have not been notified, through our Cancellation Bulletin or otherwise, that the Card has been cancelled;
 - d you have received an Overlimit Authorization approval code number, if necessary, at the time the order is made and, if the order is sent two (2) months or more thereafter, again at the time the order is sent out or delivered to the Cardmember

- e all other relevant provisions in this Agreement are complied with

All Charges

You agree to comply with such other reasonable operating instructions and procedures as we may issue from time to time

You agree to make every effort to avoid acceptance of fraudulent Cards and submission to us of unauthorized Charges. Should Charges made with fraudulent Cards and/or unauthorized Charges exceed three tenths of one percent (.30%) of your Card sales in any consecutive twelve (12) month period, you agree to execute an addendum to this Agreement whereby fraud training of your personnel will be conducted and other anti-fraud measures will be instituted

When a Cardmember makes or requests to make a purchase with the Card, you will not extend or offer to extend credit or charge services to the Cardmember through your own or any other credit, debit or charge card or service

You represent and warrant that you have performed or will perform all obligations connected with or arising from all Charges submitted to us, that all indebtedness arising from Charges submitted to us is genuine and results from a bona fide sale of goods or services to a Cardmember (other than your offices, employees or their family members), that the amount shown on each Charge Record Form represents the full and true value of goods or services sold to such Cardmember

III. OVERLIMIT AUTHORIZATION

For the purposes of this Agreement, "Overlimit Authorization" of a Charge means only that we have approved the amount of the Charge to a Cardmember's account. You must still comply with all provisions of this Agreement, particularly all those requirements in the preceding Section entitled "Card Acceptance Procedures." If you do not fully comply, we have the right of Full Recourse for the Charge(s) involved, even if you obtained Overlimit Authorization or other authorization from us.

Before you allow a Cardmember to make a Charge or series of Charges for more than seventy-five dollars (\$75) in orders in one day ("Overlimit Charges"), or whatever "floor limit" we establish, and before sending the order to the Cardmember, you must call us for an Overlimit Authorization. We have the right to change your floor limit. If we do, we will notify you in writing of your new floor limit and the date it takes effect. In the event the Cardmember's order is not sent to the Cardmember until two (2) months or more after your receipt of the order, you agree to obtain a second Overlimit Authorization at the time the purchase is sent to the Cardmember.

You can call us toll free for Overlimit Authorization at the designated service center or centers. We will make sure that at least one authorization center in Continental North America is open to receive your calls twenty-four (24) hours a day, seven (7) days a week.

We will have Full Recourse for any Overlimit Charge for which Overlimit Authorization is not properly requested or obtained, or for which Overlimit Authorization is requested and refused or for which no Overlimit Authorization approval code is given.

In the event that you have an electronic point of sale authorization system which is acceptable to us, you may obtain Overlimit Authorization through your electronic point-of-sale system in accordance with our specifications and instructions pursuant to a separate written agreement with us. If you choose to utilize the services of a third party processor to obtain authorization electronically, such processor must be acceptable to us. You agree to notify promptly your American Express Sales Representative in the event you obtain either an electronic point of sale authorization system or the capability to receive authorizations electronically.

IV. CHARGE RECORD FORMS

You agree to follow our standard operating procedures for completing our Charge Record Forms for each Cardmember purchase. You further agree to send us completed Charge Record Forms at or after the time you send out the goods or services purchased by a Cardmember to the Cardmember. We will have Full Recourse for any Charges for which you have sent us the Charge Record Forms before you have sent to the Cardmember the goods or services indicated on such Charge Record Forms. If the goods or services are sent out for a free trial period, you will send us the Charge Record Forms only when the free trial period ends. Each Charge Record Form must contain:

- The Cardmember's name and account number, and the expiration date of the Card
- The date of the Charge(s)
- The Overlimit Authorization approval code(s), if necessary
- The amount of the Charge, including applicable taxes, if any
- Your establishment identification. This must include your name, city, state and American Express service establishment number
- The words "Mail Order" or "Telephone Order," as appropriate, in the space for the Cardmember's signature
- All other information that is requested on the Charge Record Form or that may be requested from time to time by us

All information must be filled in legibly.

You must keep your mail order form with the Cardmember's signature for at least twenty-five (25) months after you fill the order. If we so request, you agree to send us a copy of the order form within fifteen (15) days of our request. If we do not receive a copy of the order within fifteen (15) days, we will have Full Recourse for the amount of the Charge.

We shall assign to each of your establishments a unique service establishment number. All Charges from each establishment shall be submitted according to its establishment number.

In the event you wish to use any charge form other than our Charge Record Form, you must obtain our prior written approval.

V. PROCESSING CREDITS

You may establish your own policy with respect to credits for returned merchandise or services, and you agree to notify Cardmembers of your policy prior to any Card purchase. You agree that you will maintain and enforce a policy for purchases made with the Card that is at least as

favorable as the policy for purchases made with other forms of payment, including cash, checks, or other charge, credit or debit cards. In the event you issue any credits to Cardmembers for services or returned merchandise which they purchased with the Card, you agree to record these credits on our Credit Record forms. You also agree to send these forms together with a Summary of Credit Record form to the office or offices we designate within seven (7) days after you issue the credit. We will deduct the full amount of the credit, minus the discount you paid us for the Charges being credited, from subsequent payments to you or bill you for it.

You agree not to give cash refunds on Card Charges.

VI. SUBMISSION OF CHARGES; OUR PAYMENTS TO YOU

You agree to send us Summary of Charge Record Forms for each of your establishments at least once each week showing the total of all Charges for purchases sent to Cardmembers that week, plus our copy of all Charge Record Forms. You agree not to include more than one hundred (100) Charge Record Forms in each Summary. If you do not send us Charge Record Forms within ten (10) days, from the date the goods or services are sent to the Cardmember or within ten (10) days after any free trial period ends, as applicable, we will not be obligated to accept those Charges and we will have Full Recourse if we do accept such Charges. You agree to prepare the Summary of Charge Record Form according to the instructions we provide and to send it to the office we designate. If you own or operate more than one establishment, you must submit Charges to us separated by establishment number.

We shall accept Cardmembers' Charges from you at a price equal to the total face amount, less our discount as explained below. You shall transfer all these Charges directly to us, and shall not bill any Cardmember for purchases made with the Card. If you do receive payment for any of our Cardmembers' Charges, you agree to endorse it over to us and mail it to us immediately.

VII. PAYMENT PLANS

You may choose the payment plan that suits your needs best — a Basic Payment Plan, an Economy Payment Plan, or an Extended Payment Plan. Your discount rate depends in part on the payment plan you choose, so be sure to read these options carefully. Indicate your choice by checking the box on the signature page next to the plan you want before signing this agreement.

Here is how the Plans work:

- **Basic Payment Plan:** If we receive your Summary of Charge Record Form before the close of any business day, our payment to you for all Charges on the Summary submitted in accordance with this Agreement will be mailed within three (3) business days after we receive it. For example, payments for Charges we receive before the close of business on Monday will be mailed to you on Thursday. Payment for Charges we receive before the close of business on Thursday will be mailed to you on Tuesday.

- **Economy Payment Plan:** We will mail payment to you for all Charges on your Summary of Charge Record Form

submitted in accordance with this Agreement on the first business day fifteen (15) calendar days after we receive your Summary.

- **Extended Payment Plan:** We will mail payment to you for all Charges on your Summary of Charge Record Form submitted in accordance with this Agreement on the first business day thirty (30) calendar days after we receive your Summary.

VIII. DISCOUNT RATE

Your discount rate depends on two factors: the payment plan you select and the Net Annual Volume of Charges you had during the previous calendar year. This "Net Annual Volume of Charges" means the total of all Cardmember Charges we accepted from you during the previous calendar year, less any credits you issued or amounts for which we turned to you for payment. For the purposes of this Agreement, the date we accept a Charge is the business day we receive it at the office we have designated for the receipt of Charges from you.

You may qualify for a new discount rate based on the Net Annual Volume of Charges we have received from you during the previous calendar year. If so, we will adjust your discount rate on April 1st following that calendar year, and the new discount rate will be as indicated in the discount rate schedule below. The calendar year runs from January through December, and you must be a participant in the Card Service for a full calendar year before we make any adjustment. To illustrate, if you start participating in the Card Service in July, it will be twenty-one (21) months before your discount rate could be adjusted.

If you own and operate more than one establishment, your discount rate will be based on the total Net Annual Volume of Charges from all your establishments combined.

Until April 1st following the full calendar year of your participation in the Card Service program, your discount rate will be:

_____ % under the Basic Payment Plan
 _____ % under the Economy Payment Plan, or
 _____ % under the Extended Payment Plan.

Here is the discount rate schedule showing how we compute your discount rate after the first full calendar year:

Net Annual Volume	Basic Payment Plan	Economy Payment Plan	Extended Payment Plan
\$0-\$50,000	4.50%	4.25%	4.00%
\$50,000-\$100,000	4.40	4.15	3.90
\$100,000-\$250,000	4.30	4.05	3.80
\$250,000-\$500,000	4.20	3.95	3.70
\$500,000-\$750,000	4.10	3.85	3.60
\$750,000-\$1,000,000	4.00	3.75	3.50
\$1,000,000-\$1,500,000	3.90	3.65	3.40
\$1,500,000-\$2,000,000	3.80	3.55	3.30
\$2,000,000-\$3,000,000	3.70	3.45	3.20
\$3,000,000-\$4,500,000	3.60	3.35	3.10
\$4,500,000-\$6,000,000	3.50	3.25	3.00
\$6,000,000-\$10,000,000	3.40	3.15	2.90
\$10,000,000-\$20,000,000	3.25	3.00	2.75
\$20,000,000-and over	3.00	2.75	2.50

IX. PAYMENT CURRENCY

We will make all payments to you in U S Dollars at the address you specify, except establishments located in Canada will be paid in Canadian dollars

Charges from any of your establishments located in Canada should be sent to us with a separate Summary of Charge Record Form for Canadian dollars

X. SUBMISSION AND/OR TRANSMISSION OF CHARGE AND CREDIT DATA ELECTRONICALLY OR ON MAGNETIC TAPES.

In the event that you wish to submit Charges and credits to us electronically, or on magnetic tape, you will obtain our prior approval to submit in this manner and will comply with our written standards, specifications and instructions for all such submissions. In order to make such submissions, you must execute a separate Electronic Submission and Transmission Addendum with us. You agree to notify promptly your American Express Sales Representative in the event you wish to submit Charge and credit data to us electronically or on magnetic tape

All such submission of Charge and credit data is subject to the provisions of Sections IV and VI hereof

XI. CARDMEMBER COMPLAINTS AND INQUIRIES

For purposes of this Agreement a claim or complaint means,

- The Cardmember has made an inquiry or complaint to you about a Charge and has made a good faith attempt to receive reasonable satisfaction from you, or
- The Cardmember has made an inquiry or complaint to us concerning a Charge made at your establishment, stating the approximate date and amount of the Charge, identifying the merchandise or service purchased, and explaining the nature of the dispute

You agree to deal directly with the Cardmember to resolve any claims or complaints about the quantity, nature or quality of merchandise or services purchased with the Card at your establishment(s). If any Cardmember refuses to make payment in full to us because of a claim or complaint, you agree to make a good faith effort to resolve the complaint within twenty-five (25) days from the time you are notified of such refusal.

If you and the Cardmember agree to settle for less than the full amount of the original Charge, you will give us written verification of the Cardmember's agreement to any adjustment within seven (7) days of making the adjustment. We will have Full Recourse for the difference between the original amount and the amount you and the Cardmember have agreed on, less any discount we collected.

If the complaint has not been fully resolved, or if requested information has not been supplied, or if you have not advised us of the resolution by the end of the twenty-five (25) day period, we will have Full Recourse for the full amount of the Charge in dispute

You also agree that you will answer all inquiries from us about claims or complaints made to us by Cardmembers within twenty-five (25) days after you receive our inquiry. If a Cardmember disputes delivery of goods or services purchased or the validity of a Charge, you agree to provide us with the mail order form signed by the Cardmember and/or signed proof of delivery to the Cardmember's billing address. We must receive your reply within twenty-five (25) days from the date you receive our inquiry. If you do not provide us with such signed mail order form and/or proof of delivery within this twenty-five (25) day period, we will have Full Recourse for the amount of the Charge involved. While not limiting our rights to Full Recourse hereunder, if you obtain the Cardmember's billing address at the time the order is made, and verify the billing address from us at the time the Charge is authorized, you may reduce your risk of set-offs and deductions for Cardmember disputes and/or fraud. In addition, to the extent that a Cardmember has a right under any state, federal, or local law, rule or regulation to assert against us any claim or defense which the Cardmember has against you, we shall have Full Recourse with respect to any Charge as to which such a Cardmember withholds payment from us or asserts such a claim or defense against us.

You agree to reimburse us for any Charge for which we have Full Recourse or we may deduct this amount from any future payments we make to you under this Agreement

In the event that 1) we receive what we reasonably consider to be a disproportionate number of claims or complaints because of your actions or omissions; or 2) you fail to respond promptly to inquiries from us on a repeated basis, then we will be deemed to have the right to Immediate Recourse with respect to all such disputed amounts irrespective of any other time periods specified and to withhold and apply such sums as are reasonably necessary to protect or satisfy our rights. We agree to notify you in writing if we assert the right of Immediate Recourse against you. For the purpose of this Agreement, "disproportionate number of inquiries" means a number and/or dollar amount of claims or complaints as a percentage of your transactions or Charge Volume which is excessive based on our experience with your participation in the Card Service or with other similar businesses.

"Immediate Recourse" shall mean that we are entitled to immediate reimbursement from you for disputed Charge(s) for which we paid you or for which payment is due you and that we may offset such amount by deducting it from amounts due to you, immediately, and without first making an inquiry to you about such Charge(s) or we can bill you for it. You will be notified of all Immediate Recourse set-offs and/or deductions. In the event you and the Cardmember thereafter resolve such dispute(s) whereby the Cardmember agrees to pay you by charging the amount in question to his/her American Express Card account, you agree to submit a new Charge form, or tape (if applicable) to us for such amount. If the resolution of the dispute occurs after the expiration of applicable Fair Credit Billing Act time frames, however, you must provide us with the written consent of the Cardmember.

XII. APPLYING CARDMEMBER PAYMENTS

All payments we receive from a Cardmember for Charges made at your establishment(s) will first be used to satisfy any Charges we accepted from you for which we do not have Full Recourse. Payments will then be applied to any Charges we accepted from you for which we have Full Recourse. If the Cardmember pays us for Charges for which we have already exercised our right to Full Recourse, and the Cardmember's payment is clearly identifiable as being made for such Charges, we will credit your account for this amount.

XIII. CHECK CASHING

We will not be responsible for checks you cash for Cardmembers.

XIV. INDEMNIFICATION

You agree that we will not be responsible to you or to anyone else for any claims which arise out of your advertising or the sale, performance or use of the goods and services you sell. You agree to reimburse us for any expenses resulting from these claims. This includes attorney's fees, court costs, settlements and judgments against us.

XV. CATALOGUES AND PROMOTIONAL MATERIAL

You agree to include the Card as a method of payment in all of your catalogues and order forms wherever any other method of payment is mentioned.

You agree that all your advertising (including but not limited to catalogues and order forms) in which you mention American Express or the Card will meet the standards set by us. You agree not to use any mail order forms or cards which would reveal a Cardmember's American Express account number to third parties while in transit or in the mail.

Where you mention the Card as a payment method, you must use the American Express name and logo only as set forth in our pre-approved logo sheets which we shall provide to you. No other use of our name, corporate identification symbol or tagline is permitted without prior written consent. In the event that you wish to mention American Express or the Card in any other promotional materials, (other than identification in catalogues or as a method of payment in an order form) you must obtain our prior written consent. In order to obtain such consent you must submit such materials to your American Express Sales Representative for prior written approval. We agree to use our best efforts to review such materials promptly. We agree not to mention you in any of our advertising or promotional material unless we obtain approval from you in the same manner. However, you agree to let us list the name and address of your establishment(s) in our Card Directory, our Guides and other materials related to the Card Service.

You agree not to promote the use of other charge, credit or debit cards or services, except for your own card which is

used only in your establishment(s), to your customers more actively than you promote the use of the Card. You agree not to solicit Cardmembers for your own charge, credit, or debit card or service when they present or ask to use the Card.

XVI. The OptimaSM Dividend

When Cardmembers choose to use the Optima Card in your establishment you will be paid an Optima Dividend. Provided you agree to include the Card as a method of payment in all of your catalogues and order forms wherever any other method of payment is mentioned, you will be paid an Optima Dividend calculated as a percentage of the Net U.S. Optima Card Charge Volume that you submit to us. "Net U.S. Optima Card Charge Volume" shall mean the aggregate of all Charges made by Cardmembers with the Optima Card at your establishments in the United States (the fifty (50) states and the District of Columbia) and received by us during the month, less any credits you issued, adjustments, and amounts for which we turned to you for payment. For the purposes of this section, the amount of your Optima Dividend rate will be based on your Net Annual Volume of Charges, as defined in Section VIII.

Here is a schedule showing how we compute your Optima Dividend rate:

Net Annual Volume of Charges For All American Express Card Charges	Optima Dividend Percentage Rate
\$0 - \$999,999	1.00%
\$1,000,000 - \$19,999,999	1.15%
\$20,000,000 and over	1.25%

XVII. ASSIGNMENT

You may not assign (transfer) this Agreement to anyone else without written permission from us. We may assign this Agreement to our parent or one of our subsidiaries or affiliates without your permission. But we cannot assign it to anyone else without your written permission.

XVIII. CHANGING THIS AGREEMENT

We have the right to amend this Agreement at any time. We will notify you in writing at least ten (10) days in advance. If the changes are unacceptable to you, you may terminate this Agreement as described in the next Section.

XIX. TERMINATING THIS AGREEMENT

a This Agreement shall be effective as of the date we receive and accept a copy executed by you. You can terminate this Agreement at any time by sending us written notice by certified mail to the address specified on the front of this Agreement or to such other address as we may specify in writing to you. We can terminate this Agreement in the same manner. The termination will become effective thirty (30) days after notice is received.

however, we may advise you of an earlier termination date

- b. You agree to honor our Cards and to follow all the terms of this Agreement until the termination takes effect. The provisions governing the processing of Charges will continue to apply if processing of Charges takes place after the termination becomes effective. Our rights of Full Recourse will survive termination of this Agreement.
- c. Anything to the contrary contained in this Agreement notwithstanding, if (i) you enter bankruptcy or insolvency proceedings voluntarily or involuntarily or make an assignment for the benefit of your creditors, or (ii) there is a sale of all or substantially all of your assets, or (iii) you cease all or a substantial portion of your operations, or (iv) there is a material adverse change in your financial condition or operations affecting your participation in the Card Service; or (v) if we receive a disproportionate amount of claims or complaints, or if we, in the exercise of our business judgment, reasonably deem you to be incapable of performing your obligation hereunder; then in any such event, we shall have the right to immediately terminate this Agreement and all financial accommodations contained herein, and/or to take any other action to which we believe we are entitled under this Agreement or under applicable law or in equity, including, but not limited to maintaining a reserve from payments due to you to protect our rights under this Agreement. Our rights under this section shall survive termination of this Agreement.
- d. You agree to notify us promptly, in the event you enter into bankruptcy or insolvency proceedings, as follows: oral or telephonic notification to your local American Express Sales Representative on or before the day such proceedings are filed, and written confirmation thereof within seven (7) days thereafter to our address shown on the first page of this Agreement and directed to the attention of the Retail Vice President's office.

XX. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with laws of the State of New York

XXI. AUTHORITY TO SIGN

You represent that the individual who signs this Agreement has authority to sign. We represent that American Express Travel Related Services Company, Inc. is authorized to sign this Agreement on its own behalf and on behalf of all its affiliates, subsidiaries and licensees that issue Cards or participate in the Card Service.

This Agreement will become effective when we receive and accept your signed copy. By signing this Agreement, you acknowledge that you have read it and kept a copy for your files.

By _____
(Authorized Signature)

(Name)

(Title)

AMERICAN EXPRESS
TRAVEL RELATED SERVICES COMPANY, INC.

By 
Edwin M. Cooperman
President
Consumer Card Group—USA

Payment Plan Elected:

- Basic Payment Plan
- Economy Payment Plan
- Extended Payment Plan

Initials _____



**TRAVEL
RELATED
SERVICES**

An American Express company

Agreement Between Corporate Cardmember and American Express Travel Related Services Company, Inc.

IMPORTANT: Before you sign or use the enclosed American Express® Corporate Card, read this Agreement thoroughly, because by either signing, using or accepting the Corporate Card, you will be agreeing with us to everything written here. Your use of the Corporate Card will be governed by this Agreement.

1) Definitions

As you read this Agreement, remember that the words *you*, *your* or *Corporate Cardmember* mean the person named on the enclosed Corporate Card. The words, *we*, *our* and *us* refer to American Express Travel Related Services Company, Inc. The word *Company* means the firm in whose name the account is opened and whose name usually appears on the Corporate Card under your name. A card issued to a Corporate Cardmember is called a *Corporate Card*.

2) Corporate Card

The Corporate Card issued to you is for use in connection with a business account opened in the name of the Company. Because you received the Corporate Card at the request of your Company, we can cancel the Card if the Company requests or if the Company is unable or unwilling to meet its obligations relating to it or to the account. The Corporate Cardmember agrees to be bound individually by all the terms of this Agreement.

3) Accepting the Agreement

If you agree to be bound by this Agreement, you should sign the Corporate Card as soon as you receive it. If you do not wish to be bound by this Agreement, cut the Corporate Card in half and return the pieces to us. Unless you do so, we will assume that you have accepted this Agreement. If you do sign the Corporate Card, you should not use it before the valid date or after the expiration date printed on the face of the Corporate Card.

4) Liability for Charges—Immediate Payment

All amounts charged to an account, including, without limitation, purchases, any annual Corporate Card fees, delinquency assessments, or other fees, will be called Charges in this Agreement. Charges also include any purchases in which you have evidenced an intent to incur a Charge regardless of whether you have signed a Charge form. We will send monthly statements of charges to you. All Charges are due immediately upon your receipt of the monthly billing statement.

You, as the Corporate Cardmember, are solely and personally liable to us for all Charges made in connection with the Corporate Card issued to you. The Company is not responsible to us for payment of such Charges. You should notify us immediately of any change in your billing address. Valid business expenses charged to the Corporate Card will be reimbursable by the Company under the Company's expense reimbursement procedures applicable to you. This Agreement has no effect on such procedures or your right to reimbursement by the Company.

5) Delinquency Assessments

When any Charges are first included within an unpaid "Previous Balance" on any monthly statement, they will be considered delinquent. Once they have been included within an unpaid "Previous Balance" for a second time, they will be considered seriously delinquent. On each monthly statement, a date will be shown which will be identified as the "Closing Date." If on the Closing Date for any monthly statement a delinquent amount previously billed of more than \$50 remains unpaid, we will add to that statement a delinquency assessment of up to \$15 or 2½% (1 4166% for Puerto Rico accounts) of the seriously delinquent Charges appearing on that statement, whichever is greater, except that no such assessment

will apply to Louisiana, Massachusetts, North Dakota, Texas or Wisconsin accounts. If on the Closing Date for any monthly statement a seriously delinquent amount previously billed remains unpaid, we will add to that statement a delinquency assessment of up to \$12 or 2¼% (1 4166% for Puerto Rico accounts) of the total of delinquent and seriously delinquent Charges, whichever is greater (except that Louisiana and Massachusetts accounts will be assessed only 1½% and Wisconsin accounts only 1% of the seriously delinquent Charges) appearing on that statement. For the purpose of calculating delinquency assessments, we will disregard amounts owed for any annual Card account fees or amounts to be repaid to us for insurance premiums. Delinquency assessments will not, however, exceed the maximum allowed by law. Court costs plus attorneys fees of up to 15% of the then unpaid balance may be added to your account if we must refer it to an attorney for collection. You will pay a smaller amount if the court considers a smaller amount appropriate or if applicable state law provides for a smaller amount.

6) Charges Made in Foreign Countries

If you incur a Charge in a foreign currency, it will be converted into U.S. Dollars. The conversion rate used will be at least as favorable to you as an interbank rate, a tourist rate or, where required by law, an official rate, which rate is in existence within twenty-four hours of the time that the Charge is processed by us or by our authorized agents, plus 1% of the converted amount. Amounts converted by common carriers—such as airlines—will be billed at rates the carriers use.

7) Payment

You must pay us either with United States currency, with a money order payable in United States Dollars or with a draft or a check drawn on a United States bank and payable in United States Dollars. If we decide to accept a payment made in some other form, your payment will not be credited to you until your payment is converted into one of the forms just mentioned. We can charge you any costs we incur in converting your payment.

8) Irregular Payments

We may accept late payments, partial payments, or any checks or money orders marked as being payment in full or as being a settlement of any dispute without losing any of our rights under this Agreement or under the law. Accepting such payments does not mean we agree to change this Agreement in any way.

9) Use of Corporate Cards

No other person is permitted to use this Corporate Card for Charges, for identification, or for any other reason. We will look to you for payment of all Charges made with the Corporate Card issued to you, even if you have let someone else use the Corporate Card or relinquished physical possession of the Corporate Card to anyone other than the Company or us. If you voluntarily relinquish physical possession of the Card to some other person, you will be liable for all Charges incurred by that person to the extent allowed by applicable law. You agree that you will not resell or return for a cash refund any goods, tickets or services obtained with the Corporate Card. Obviously, you may return an item or ticket to a firm honoring the Corporate Card for credit to your account, if that firm permits such returns.

We reserve the right to deny authorization of any Charge.

(See reverse side)

10) Problems With Goods and Services

If you have any questions, problems or disputes concerning the monthly statement, you should contact us and we will take all reasonable and appropriate steps to provide the information you request or to resolve your dispute. However, unless required by law, we are not responsible for any problem you have with any goods or services you charge on the Corporate Card, and, if you have a dispute with a firm honoring the Corporate Card, you must pay us anyway and settle the dispute directly with the firm. We will not be responsible if any firm refuses to honor the Corporate Card, or for any other problems you may have with such firm.

11) Insurance

If you use the Card to buy insurance, you give us permission to pay premiums for you when due. You agree to repay us according to the terms of this Agreement. You must tell us in writing if you no longer wish us to pay premiums for you. If the Card Account or your Card is cancelled, we will stop paying premiums for you.

12) Lost or Stolen Cards

You agree to notify us at once if the Corporate Card is lost or stolen or if you suspect it is being used without your permission.

13) Dishonored Checks

If you or your representative transmits or causes to be transmitted to us any checks or drafts that are not honored to their full amount, for each check or draft we may charge the account up to \$15 to cover collection costs.

14) Use of Dispensing Machines

You may be able to use the Card in dispensing machines to obtain cash, American Express® Travelers Cheques or other goods or services. Before you may use the Card in such machines, you will have to enroll in our Express Cash Program. We will have a special agreement with you concerning use of the Card in connection with the Express Cash Program. Please refer to that agreement for the rights and duties relating to the use of the Card in such machines.

15) Renewal and Replacement Cards

Your Corporate Card will be valid through the expiration date printed on the face of the Corporate Card. By accepting the issuance of this Corporate Card, you are requesting us to issue you a renewal or replacement Corporate Card before the current Corporate Card expires. We will bill any renewal fees annually. We will continue to issue renewal or replacement Corporate Cards until you or the Company tells us to stop.

16) Changing This Agreement

We have the right to change this Agreement at any time. We will notify you of any changes. We consider that you have accepted the changes if you keep or use the Corporate Card after you receive our notice.

If you do not accept the changes, you may terminate this Agreement by cutting the Corporate Card in half and returning the parts to us. We will then refund a pro rata portion of the annual Card fee. You will still be responsible for all Charges made before you terminated the Agreement.

17) The Card Remains Our Property

The Corporate Card remains our property and we can revoke your right to use it at any time. We can do this with or without cause and without giving you notice. If we revoke the Corporate Card without cause, we will refund a pro rata portion of any annual Card fee. We may list revoked Corporate Card account numbers in our "Cancellation Bulletin," or otherwise inform firms honoring the Corporate Card that the Corporate Card issued to you has been revoked or cancelled.

If we revoke the Corporate Card or it expires, you must return it to us upon our request. Also, if the Company or a firm that accepts the Corporate Card asks you to surrender an expired or revoked Corporate Card, you must do so. You may not use the Corporate Card after it has expired or after it has been revoked.

18) Credit Information

You authorize us to make whatever credit inquiries we may deem appropriate and to exchange any information we may receive in the course of such investigations. We may ask credit reporting agencies for consumer reports of your credit history. Upon request, we will tell you whether a consumer report was requested and the name and address of the agency that furnished it. Your performance under this Agreement may be reported to credit reporting agencies.

19) Law That Applies

New York Law governs this Agreement.

American Express Travel Related Services Company, Inc.

By



James A. Firestone
Executive Vice President
Travel Management Services